

EMPLOYMENT AGREEMENT

Introduction

This Agreement, made and entered into this 19th day of March, 2009, supersedes and replaces the prior Agreement entered into on November 9th, 2006, and all amendments thereto by and between Jackson County and the Jackson County Board of Commissioners (hereinafter called "Employer") and Danny Jordan (hereinafter called "Employee"), an individual who has the education, training and experience in local government management and who, as a member of ICMA, is subject to the ICMA Code of Ethics.

IT IS AGREED:

Section 1: Term

A. This Agreement shall remain in full force in effect from March 19, 2009 until terminated by the Employer or Employee as provided in Section ~~9~~, 10, ^{or 11}, of this Agreement and shall be indefinite without an expiration date. *10 or 12* *[Signature]*

The term of this Agreement shall be for an initial period of approximately three (3) years (actually approximately thirty four (34) months) from March 19, 2009 to January 30, 2012. The term of this Agreement shall automatically be extended by one (1) year each December 30, unless written notice that the Agreement shall terminate is given during the month of November immediately prior to the expiration date, (so that on December 30, 2009 the term shall be extended through January 30, 2013; and on December 30, 2010 the term shall be extended through January 30, 2014). "Expiration date" refers to January 30, in any relevant year. In the event the Agreement is not renewed or extended, all compensation, benefits and requirements of the Agreement shall remain in effect until the expiration of the term of the Agreement unless Employee voluntarily resigns or declares the Agreement terminated as provided for in Section ~~9~~(6). In the event that the Employee's employment is terminated, as defined in Section ~~9~~ of this Agreement, the Employee shall be entitled to all compensation including but not limited to salary, accrued vacation and sick leave, car allowance, housing allowance, deferred compensation contribution, plus continuation of any other economic benefits through the expiration date, in addition to severance provided for in Section ~~10~~ of this Agreement. This shall be paid as elected by the Employee either in lump sum or in installments. *10 or 11* *[Signature]*

On and after January 30, 2010, the term shall remain three (3) years (January 30, 2010 through January 30, 2014), and shall be automatically extended December 30, of each year for one (1) year, so that, following extension, the contract term remains three (3) years. However, the Board of Commissioners may notify Employee during the period January 2, through January 15, of any year of the contract that the provision for the annual extension has been terminated prospectively. In that event, the automatic extension provision shall be terminated, and the Employment Agreement shall expire at the end of the existing three (3) year

term. Employee may notify County at any time prior to January 30, that he does not desire the extension, in which case the automatic extension shall be terminated.

Section 2: Duties and Authority

Employer agrees to employ Danny Jordan as the County Administrator to perform the functions and duties specified periodically by the Jackson County Board of Commissioners, by the Jackson County Charter and by Chapter 216 of the Codified Ordinances of Jackson County.

Section 3: Compensation

A. Employer agrees to pay Employee an initial annual base salary of \$155,043.20, payable in installments at the same time and in the same manner as other management employees of the Employer are paid.

B. This Agreement shall be automatically amended to reflect any salary adjustments that are provided or required by the Employer's compensation policies.

C. Consideration shall be given on an annual basis to increases in compensation based on cost of living and merit.

The Employer agrees to increase the Employee's compensation, dependent upon the results of the performance evaluation conducted under the provisions of Section 12 of this Agreement. Increased compensation may be in the form of a salary increase, allowances and/or a bonus.

The Employer agrees to provide a fixed annual increase in the Employee's salary base each year in an amount and percentage not less than the average across the board increase granted to other management employees of the Employer.

Section 4: Health, Disability and Life Insurance Benefits

A. The Employer agrees to provide and to pay the premiums for health, hospitalization, surgical, vision, dental and comprehensive medical insurance for the Employee and his/her dependents equal to that which is provided to all other management employees of Jackson County.

B. The Employer shall either (1) make required premium payments, or (2) reimburse premiums paid by Employee, at Employee's election, for long term disability coverage for the Employee which provides an after tax benefit not less than annual income provided for in this Agreement.

C. The Employee may elect to submit once per calendar year to a complete physical examination, including a cardio-vascular examination, by a qualified physician selected by the Employee, the cost of which shall be paid by the Employer to the extent not paid by health insurance.

D. The Employer shall pay the amount of premium due for term life insurance in the amount of two (2) times the Employee's annual base salary, or as provided to other employees, including all increases in the base salary during the life of this Agreement. The Employee shall name the beneficiary of the life insurance policy.

Section 5: Vacation, Sick and Military Leave

A. The Employee shall accrue sick and vacation leave equal to the highest annual accrual provided to any other County employee. The Employee shall then accrue sick and vacation leave on an annual basis at the highest rate provided to any other employees. All previously accrued benefits and leave earned or awarded while in previous employment of Jackson County shall carry forward and not be lost.

B. The Employee is entitled to accrue all unused leave, without limit, and in the event the Employee's employment is terminated, either voluntarily or involuntarily, the Employee shall be compensated for all accrued vacation time and all paid holidays and any other earned and accrued benefits except sick leave.

Section 6: Monthly Automobile Allowance

The Employer agrees to pay to the Employee, during the term of this Agreement, and in addition to other salary and benefits herein provided, the sum of \$649.49 per month, prorated and payable at the same time that management employees of the Employer are paid, as a vehicle allowance to be used to purchase, lease, or own, operate and maintain a vehicle. The monthly allowance shall be increased annually in July, by the average annualized, July-to-July, C.P.I. – All Urban Consumers – West Urban.

The Employee shall be responsible for paying for liability, property damage, and comprehensive insurance coverage upon such vehicle and shall further be responsible for all expenses attendant to the purchase, operation, maintenance, repair, and regular replacement of the vehicle. The Employer shall reimburse the Employee based on County policy at the applicable IRS standard mileage rate for any business use of any privately owned vehicle (motorcycle, automobile, and airplane) requiring travel outside of Jackson County.

Section 7: Retirement

1. The Employer agrees to enroll the Employee into the applicable state or local retirement system and to make all the contributions on the Employee's behalf, for both the Employer and Employee required contributions.

2. In addition to the Employer's payment to the state or local retirement system (as applicable) referenced above, Employer agrees to execute all necessary agreements provided for to continue the Section 457 deferred compensation plan for Employee's continued participation in this supplementary retirement plan (or such other plan as may be mutually agreed upon by the parties) and, in addition to the base salary paid by the Employer to Employee, Employer agrees to pay an amount equal to 100% of the maximum allowable contribution annually permissible under federal and state law into the designated plan on the Employee's

behalf, in equal proportionate amounts each pay period. The parties shall fully disclose to each other the financial impact of any amendment to the terms of Employee's retirement benefit.

Section 8: General Business Expenses

1. Employer agrees to budget for and to pay for professional dues and subscriptions of the Employee necessary for continuation and full participation in national, regional, state, and local associations, and organizations necessary and desirable for the Employee's continued professional participation, growth, and advancement, and for the good of the Employer.

2. Employer agrees to budget for and to pay for travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions to adequately continue the professional development of Employee and to pursue necessary official functions for Employer, including but not limited to the ICMA Annual Conference, the state league of municipalities, and such other national, regional, state, and local governmental groups and committees in which Employee serves as a member.

3. Employer also agrees to budget for and to pay for travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for the Employee's professional development and for the good of the Employer. This will include, but not be limited to, items permitted by County policy.

4. Employer recognizes that certain expenses of a non-personal but job-related nature are incurred by Employee periodically in Employee's discretion, and agrees to reimburse or to pay such general expenses. The Finance Director is authorized to disburse such monies upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.

5. The Employer acknowledges the value of having Employee participate and be directly involved in local civic clubs or organizations. Accordingly, Employer shall pay for the reasonable membership fees and/or dues to enable the Employee to become an active member in local civic clubs or organizations.

Section 9: Technology

The Employer shall provide Employee with a monthly allowance of three hundred dollars (\$300) to defray expenses necessary for Employee to perform the job and to maintain communications by cell phone with unlimited data, and high speed internet connectivity at Employee's residence. This amount shall be increased by twenty dollars (\$20) every other year, and augmented with three hundred dollar (\$300) every third year to defray technology equipment replacement/purchase expenses.

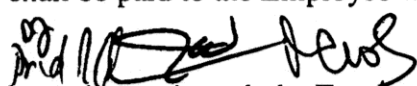
Section 10: Termination

For the purpose of this Agreement, termination shall occur when:

1. The majority of the governing body votes to terminate the Employee at a duly authorized public meeting.
2. If the Employer, citizens or legislature acts to amend any provisions of the Jackson County Charter or Codified Ordinances of Jackson County pertaining to the role, powers, duties, authority, responsibilities of the Employee's position that substantially changes the form of government, the Employee shall have the right to declare that such amendments constitute termination.
3. If the Employer reduces the base salary, compensation or any other financial benefit of the Employee, unless it is applied in no greater percentage than the average reduction of all department heads, such action shall constitute a breach of this Agreement and will be regarded as a termination.
4. If the Employee resigns following an offer to accept resignation, whether formal or informal, by the Employer as representative of the majority of the governing body that the Employee resign, then the Employee may declare a termination as of the date of the suggestion.
5. Material and Substantive breach of contract declared by either party with a 30-day cure period for either Employee or Employer. Written notice of a breach of contract shall be provided in accordance with the provisions of Section 20.
6. Employee may declare the Agreement terminated if the Employer provides Employee with notice of non-renewal under Section 1 related to Term.

Section 11: Severance

Severance shall be paid to the Employee when employment is terminated as defined in Section 9.10

 If the Employee is terminated, the Employer shall provide a minimum severance payment equal to thirty six (36) months salary and benefits at the current rate of pay. This severance shall be paid in a lump sum unless otherwise requested by the Employee, and shall be paid in addition to compensation, salary and benefits owed for the remainder of the current term of this Agreement.

The Employee shall also be compensated for all vacation time, all paid holidays and all other earned and accrued benefits, except sick leave. The Employer agrees to make a contribution to the Employee's deferred compensation account for the remainder of the current term of the Agreement, and in each of the three (3) years following termination of one hundred percent (100%) of the annual maximum allowable contribution.

For a minimum period of three (3) years following termination, the Employer shall pay the cost to continue the following benefits:

1. Health insurance for the employee and all dependents as provided in Section 4A
2. Life insurance as provided in Section 4D
3. Long-term disability premium reimbursement as provided in Section 4B
4. Car allowance
5. Out placement services should the employee desire them in an amount not to exceed \$15,000, and
6. Any other benefits available under this Agreement.

If the Employee is terminated because of a conviction of a felony, then the Employer is not obligated to pay severance under this section or wage and benefits for the term remaining on the contract beyond the date of conviction.

Section 12: Resignation

In the event that the Employee voluntarily resigns his/her position with the Employer, the Employee shall provide a minimum of 60 days notice unless the parties agree otherwise.

Section 13: Performance Evaluation

The Board will periodically identify the Commissioners' individual and collective desires and concerns and communicate these to the Employee by either informal discussions with the Employee or by more formal means. The Board shall meet with Employee at least annually for the purpose of setting goals and priorities, which shall be fixed by mutual agreement. The Board and Employee shall meet at least annually to evaluate and assess the performance of Employee in meeting or progressing toward the goals formally adopted by the Board and communicated to Employee. These annual evaluations shall be in closed Executive Sessions, unless otherwise requested by the Employee, and shall be conducted at least one hundred twenty (120) days prior to the annual compensation review and adjustment, which the parties agree is to occur by July 1st of each year. A written evaluation shall be prepared to fairly memorialize evaluation discussions.

In the event the Board determines that the performance of Employee is unsatisfactory in any respect or needs significant improvement in any area, the Board shall describe these concerns in writing, and in reasonable detail or with specific examples as to be objective and positive in nature. In no event shall such an event be deemed to constitute a breach of the Agreement.

Section 14: Hours of Work

It is recognized that the Employee must devote a great deal of time outside the normal office hours on business for the Employer, and to that end Employee shall be allowed to establish an appropriate work schedule. Employee is compensated on a "salary basis" and is expected to devote whatever time is required to accomplish the County's business as required.

Section 15: Outside Activities

The employment provided for by this Agreement shall be the Employee's sole employment. Recognizing that certain outside consulting or teaching opportunities provide indirect benefits to the Employer and the community, the Employee may elect to accept limited teaching, consulting or other business opportunities with the understanding that such arrangements shall not constitute interference with or a conflict of interest with his or her responsibilities under this Agreement.

Section 16: Housing Allowance

Employee agrees to maintain a residence within the corporate boundaries of the local government. Employer shall pay Employee a housing supplement of \$1000.00 per month for the period of the contract, prorated and payable at the same time that the other management employees of the Employer are paid.

The Employer will provide the Employee with a fixed rate loan to purchase a house and appurtenant real property (the "Real Property") in Jackson County. The amount of the loan shall not exceed the appraised value of the Real Property, or six times the annual base salary of the Employee, whichever is less, and interest on the loan will be fixed at the Long Term Applicable Federal Rate for the calendar month in effect at the time of issuance of the loan. The loan shall be amortized over 30 years, with no early payoff penalty provision, and the loan will be secured by a standard first priority deed of trust in the Real Property, the terms of which the parties agree to negotiate in good faith.

This provision provides for only one such loan to be outstanding at any one time, and so long as the Employee remains employed with the County, provides for no more than three separate loans during the term of this contract. Appraisal, title and escrow costs to execute and close any loan shall be split equally between the Employer and Employee. The loan shall be repaid in full to the Employer when the Real Property, or the Employee's interest in the Real Property, is sold, transferred, alienated, or conveyed. Employee shall be responsible for paying taxes on the Real Property and shall secure standard homeowner's insurance coverage.

Section 17: Indemnification

Beyond that required under federal, state or local law, Employer shall defend, hold harmless and indemnify Employee to the full extent provided by Oregon Revised Statutes related to the tort claim 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 Jackson County Administrator or resulting from the

exercise of judgment or discretion in connection with the performance of program duties or responsibilities, unless the act or omission involved malfeasance in office or willful or wanton neglect of duty. The Employee may request and the Employer shall not unreasonably refuse to provide independent legal representation at Employer's expense and Employer may not unreasonably withhold approval. Legal representation, provided by Employer for Employee, shall extend until a final determination of the legal action including any appeals brought by either party. The Employer shall indemnify Employee against any and all losses, damages, judgments, interest, settlements, fines, court costs and other reasonable costs and expenses of legal proceedings including attorneys fees, and any other liabilities incurred by, imposed upon, or suffered by such Employee in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened, arising out of or in connection with the performance of his or her duties. Any settlement of any claim must be made with prior approval of the Employer in order for indemnification, as provided in this Section, to be available.

Employee recognizes that Employer shall have the right to compromise and settle unilaterally on terms which do not prejudice Employee; however, if the Employee in his personal capacity is a party to the suit then Employee shall have a veto authority over the settlement. Further, Employer agrees to pay all reasonable litigation expenses of Employee throughout the pendency of any litigation to which the Employee is a party, witness or advisor to the Employer. Such expense payments shall continue beyond Employee's service to the Employer as long as litigation is pending. Further, Employer agrees to pay Employee reasonable consulting fees and travel expenses when Employee serves as a witness, advisor or consultant to Employer regarding pending litigation.

Section 18: Bonding

Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

Section 19: Other Terms and Conditions of Employment

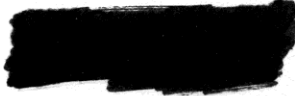
The Employer, only upon agreement with Employee, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Jackson County Charter, the Codified Ordinances of Jackson County or any other law.

Except as otherwise provided in this Agreement, the Employee shall be entitled to the highest level of benefits that are enjoyed by other appointed officials, appointed employees, department heads or general employees of the Employer as provided in the Charter, Code, Personnel Rules and Regulations or by practice.

Section 20: Notices

Notice pursuant to this Agreement shall be given by depositing in the custody of the United States Postal Service, postage prepaid, addressed as follows:

EMPLOYER: Jackson County Board of Commissioners
10 South Oakdale
Medford, OR 97504

EMPLOYEE: Danny Jordan


Alternatively, notice required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 21: General Provisions

A. Integration. This Agreement sets forth and establishes the entire understanding between the Employer and the Employee relating to the employment of the Employee by the Employer. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this Agreement during the life of the Agreement. Such amendments shall be incorporated and made a part of this Agreement.

B. Binding Effect. This Agreement shall be binding on the Employer and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.

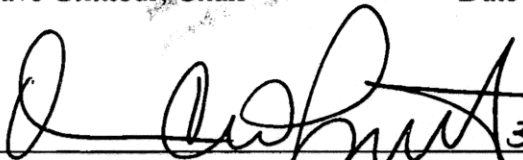
C. Effective Date. This Agreement shall become effective on March 19, 2009.

D. Severability. The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.

E. Arbitration. The parties agree that any and all disputes regarding the interpretation or implementation of this Agreement shall be resolved under the Employment Dispute Resolution Rules of the American Arbitration Association; provided, however, that arbitration shall be conducted before a panel of three arbitrators; one shall be selected by each party and the third shall be selected by the other two. The parties intend that the arbitration panel shall reflect expertise in employment and municipal areas of the law. Any arbitration under those rules shall be held in Portland, Oregon. In any arbitration to enforce this Agreement, the prevailing party shall be entitled to recover its reasonable costs and attorney fees incurred. The parties further agree that arbitration under this paragraph may be enforced by a court of competent jurisdiction.

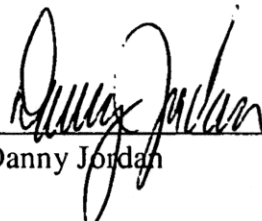
JACKSON COUNTY


Dave Gilmour, Chair 3/19/09
Date


Dennis C. W. Smith, Commissioner 3/19/09
Date


Jack Walker, Commissioner 3-19-09
Date

EMPLOYEE


Danny Jordan 3/19/09
Date

Dated March 19th 2009

THIS AMENDMENT NO. 1 to the Employment agreement dated March 19, 2009, by and between the Jackson County Board of County Commissioners (hereafter called "Employer") and Danny Jordan, (hereafter called "Employee"), is hereby amended as follows:

The following language is deleted.

Section 3: C.


The Employer agrees to increase the Employee's compensation, dependent upon the results of the performance evaluation conducted under the provisions of Section 12 of this Agreement. Increased compensation may be in the form of a salary increase, allowances and/or a bonus.

The following language is added in its place.

Section 3: C

The Employer agrees to increase the Employee's compensation, dependent upon the results of the performance evaluation conducted under the provisions of Section 13 of this Agreement. Increased compensation may be in the form of a salary increase, allowances and/or a bonus. The total compensation increase will include, at a minimum, a 5% step increase each year beginning July 1st, 2009 until and including July 1st, 2016 unless the contract is terminated as outlined in Section 1 of this Agreement. The formula for calculation will be the current hourly salary plus cost of living, plus 5%, rounded to the nearest penny. If the performance evaluation is not conducted under provisions of Section 13 in this Agreement for any reason the 5% step increase outlined above will be applicable.

JACKSON COUNTY


Dave Gilmour, Chair

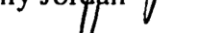
Dave Gilmour, Chair Date



Dennis C.W. Smith, Commissioner Date

Jack Walker, Commissioner Date 6/22/08

EMPLOYEE



Danny Jordan

6/30/09

Date

AMENDMENT NO. 1