

## EMPLOYMENT AGREEMENT

**THIS EMPLOYMENT AGREEMENT** is made and entered into effective the 12th day of July, 2018, by and between the **MCKINNEY ECONOMIC DEVELOPMENT CORPORATION** (hereinafter referred to as the "MEDC"), a Texas non-profit corporation, and Peter Tokar III (hereinafter referred to as "Executive"), both of which parties hereto understand and agree as follows:

### WITNESSETH:

**WHEREAS**, MEDC desires to employ Executive as President of the MEDC of McKinney, Texas; and

**WHEREAS**, it is the desire of the MEDC to provide certain benefits, establish certain conditions of employment, and to set certain working conditions of said President; and

**WHEREAS**, Executive desires to accept employment as President of said MEDC on the terms outlined herein.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and agreements herein contained, and hereinbefore stated, the parties hereto agree as follows:

#### **A. Duties and Responsibilities**

As MEDC President, Executive agrees to perform all duties and responsibilities as described in the MEDC Bylaws, as amended. Executive shall also abide by City of McKinney personnel policies as such are currently adopted by the City, and as amended from time to time.

#### **B. Term**

Executive shall serve at the pleasure of the Board of Directors of the MEDC (the "Board"), subject to the provisions of this agreement and those provisions of the MEDC bylaws governing termination, and nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Board to terminate the services of Executive at any time pursuant to any applicable provisions of the City of McKinney personnel policies and the provisions set forth hereinafter in the section titled **Severance Pay/Termination/Voluntary Resignation**, subject to the procedural requirements of the MEDC bylaws and the Home Rule Charter of the City of McKinney. At all times, Executive shall be an "at will" employee of the MEDC pursuant to this Agreement. Executive's employment shall be subject to the policies for annual review contained herein in the section titled **Performance Evaluation herein**. This Agreement shall be modified only by written agreement of the parties.

#### **C. Base Compensation**

Executive's base salary shall be \$16,667 per month (\$200,000.00 annualized) payable in installments at the same time as employees of the City of McKinney are paid. This base

compensation may be adjusted, from time to time, by MEDC, by written amendment to this Agreement. Executive shall not receive compensatory ("comp") time, irrespective of the employee benefit policies in Exhibit 1.

**D. Additional Compensation**

In addition to the Base Compensation, the Executive may be eligible to receive Additional Compensation from MEDC based upon individual merit and achievement of goals established and agreed upon by the parties. Although no Additional Compensation or bonus is guaranteed under this Agreement, annual bonuses may be paid to the Executive for performance at the discretion of the Board. Written addenda to this agreement executed by the parties and setting forth performance criteria required for Additional Compensation may be executed from time to time.

**E. Automobile Allowance**

The MEDC agrees to pay Executive a monthly automobile allowance of \$750.00 (\$9,000.00 per annum). The monthly automobile allowance shall be subject to review from time to time by the MEDC and accordingly modified, if deemed necessary. The monthly automobile allowance shall cover all automobile-related expenses incurred by Executive, including expenses for automobile repair, fuel, lease, maintenance, insurance, operation, tolls within the NTTA region, and vehicle replacement.

**F. Benefits and Leave**

The MEDC agrees to provide vacation, medical, dental, vision, life insurance, and sick leave. Current policies are included as Exhibit 1, and such policies may be amended by MEDC as to their application to Executive, from time to time. For calendar year 2018, Executive shall receive a vacation leave bank of five (5) days to be used for vacation or sick leave during 2018, and all additional vacation and sick leave will accrue according to then current policies.

**G. Moving and Temporary Housing**

Executive shall continuously remain a resident of McKinney during his tenure as the President. Executive shall have a moving/transition allowance not to exceed \$32,500.00 in the aggregate for the following specific purposes: (a) moving expenses [based on the lowest of three (3) bids obtained by Executive, (b) travel expenses for up to three (3) trips [including family members] to McKinney [coach airfare, reasonable meals/lodging], and interim housing expenses incurred prior to obtaining a permanent residence in McKinney. Any expenses incurred under this Section shall be submitted to the City's Finance Department and paid under City policies as a reimbursement to Executive. Reimbursements shall be processed within one (1) week, if timely submitted under existing policies. Notwithstanding the foregoing and by joint check, MEDC agrees to pay direct to Executive's moving company (at completion) and Executive's landlord for Executive's rent deposit and any initial advance rent.

Internal Revenue Service moving expense guidelines, as specified in Publication 521, will govern tax implications of moving and housing allowances and reimbursements.

#### **H. Severance Pay/Termination/Voluntary Resignation**

In the event the MEDC terminates Executive's employment anytime during the term of this Agreement the Executive shall be entitled to a one-time, lump-sum severance payment equal to six (6) months base salary, less all deductions for federal income tax, social security, and Texas Municipal Retirement System ("TMRS"), if applicable), based upon Executive's Base Compensation at the time of termination. Executive will be reimbursed Executive's COBRA payments for up to nine months or until Executive secures new employment, whichever is sooner. Executive shall be entitled to a one-time lump-sum payment for any and all accrued but unused leave time available to Executive at the time of termination. As consideration for any severance paid to Executive, Executive agrees to remain available to perform consulting services until such time as Executive secures full-time employment elsewhere. As a condition to Executive's receipt of any severance payment hereunder, Executive shall contemporaneously execute and deliver a full release of any and all claims that he may have against the MEDC and the City of McKinney, its officers and employees and a non-disparagement agreement. The failure to execute and deliver such release shall nullify any obligation by the MEDC to pay severance.

In the event the Board terminates Executive's employment because of the conviction of a criminal act equal to or greater than a Class B Misdemeanor, including but not limited to, acts involving personal gain, corruption, misconduct or malfeasance in office, or a violation of the City's personnel policies or the MEDC Bylaws, then the MEDC shall have no obligation whatsoever to pay any severance pay designated in this section.

In the event Executive voluntarily resigns his position with MEDC or accepts employment elsewhere, Executive shall provide the MEDC thirty (30) days written notice in advance, unless the parties otherwise agree. The actual resignation date shall be established by mutual agreement between Executive and MEDC, but such date shall not be greater than thirty (30) days from the date of Executive's resignation letter. Any voluntary resignation shall act to terminate Executive's right to severance pay under this Section I. Upon voluntary resignation, Executive shall be entitled to any and all accrued Leave.

#### **I. Performance Evaluation**

The Board, agrees to provide a performance evaluation upon completion of the first twelve (12) months of employment and prior to July of each year thereafter. The performance evaluation shall be conducted in accordance with the MEDC Bylaws. A preliminary performance evaluation shall be provided orally by the MEDC Executive Committee to Executive, and Executive shall have the opportunity to confer with the Board, as a whole, concerning the findings in said performance evaluation for purposes of any possible modifications prior to performance evaluation being finalized in written form.

**J. Business Expenses**

The MEDC agrees to provide written guidelines on which business and related expenses incurred by Executive in cash or with his personal credit card will be reimbursed by the MEDC.

**K. Starting Date**

Executive agrees to commence employment with the MEDC no later than July 30, 2018.

**L. Memberships, Professional Dues/Education and Executive**

The Executive shall be provided with memberships in the International Economic Development Council (IEDC) and other professional memberships as deemed appropriate and necessary and mutually agreed to by the MEDC manager and the Executive. Such memberships shall be paid in full by the MEDC. The MEDC further agrees to reimburse the Executive for reasonable expenses he may personally incur while attending annual conferences and/or regional conferences on behalf of MEDC or the City. Such reasonable expenses shall be defined as including, but not limited to, conference registration fees, coach/economy air fares, hotel accommodations, car rentals and meals. In addition, the MEDC agrees to reimburse reasonable expenses incurred in attendance at other professional development conferences or training opportunities as approved by the MEDC.

**M. Service Club**

To facilitate interaction and communication with the community, the MEDC agrees to reimburse Executive for participation in one service club of Executive's choice which meets within the City of McKinney. Such expenses will include dues and reasonable and ordinary participation expenses.

**N. Hours of Work**

Executive agrees to devote his full time and talents to the duties and responsibilities of President, and he shall remain in the exclusive employ of the MEDC during the Term of this Agreement. The MEDC recognizes and expects that Executive must devote a significant amount of time to the business of the MEDC away from the Executive's office in an effort to fulfill his responsibilities to the MEDC including work outside of normal working hours. The MEDC will allow Executive reasonable absences from the MEDC offices during normal business hours to conduct said business for the MEDC and to accommodate Executive for business being conducted after normal business hours; however, Executive shall make all reasonable efforts to maintain normal office hours at the MEDC offices.

**O. Indemnification**

The MEDC will defend, hold harmless, and indemnify Executive against any tort, professional liability claim or demand, or other legal action or claim for damages, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of the duties as

President. The MEDC may compromise and settle any such claim or suit, at its sole option, and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon.

**P. Repayment to the MEDC in the Event of Resignation**

Should Executive voluntarily resign Executive agrees to repay the MEDC the sums advanced to Executive pursuant to Section G of this Agreement according to the following schedule:

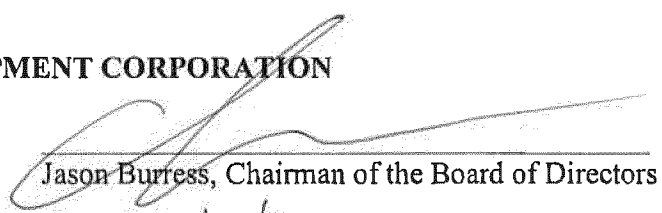
Length of Service	Reimbursement Rate
Less than 1 year	100%
From 1 to 2 years	50%
More than 2 years	0%

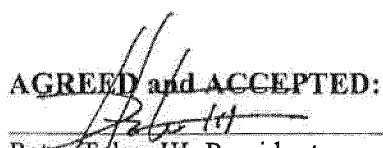
**Q. Board/City Council Approvals, Professional Reference Check, Drug Screen and Criminal History Check**

The MEDC's obligations under this Agreement are expressly conditioned upon approval by the MEDC Board, the McKinney City Council's consent, MEDC's satisfactory evaluation of Executive's police and court records, and Executive's passage of a pre-employment drug screen.

**IN WITNESS WHEREOF**, the MEDC, has caused this Employment Agreement to be signed and executed on its behalf by its Chairman, and the Executive has signed and executed this Agreement on the dates indicated below.

**MCKINNEY ECONOMIC DEVELOPMENT CORPORATION**

  
 \_\_\_\_\_  
 Jason Burriss, Chairman of the Board of Directors  
 Date: 7/11/18

**AGREED and ACCEPTED:**  
  
 \_\_\_\_\_  
 Peter Tokar III, President  
 Date: 6/29/2018