

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”) is entered into by and between the Harbor Community Benefit Foundation, a California nonprofit public benefit corporation (“HCBF”) and Meghan Reese (“Employee”).

RECITALS

A. HCBF is a nonprofit organization whose mission is to fund mitigation and other public benefit projects that assess, protect, and improve health, quality of life, and the natural environment, with a focus on the communities of San Pedro and Wilmington, California. The HCBF was created to oversee the administration of funds from the Port Community Mitigation Fund (“PCMTF”), which is the product of a litigation settlement (“TraPac MOU”) between the Port of Los Angeles and several community groups over the TraPac Terminal Expansion Project. While the HCBF administers the funds from the PCMTF, it also will raise funds from other sources to increase its capacity and impact.

B. HCBF desires to employ Employee and Employee desires and is willing to be employed by HCBF as its Executive Director under the terms and subject to the conditions set forth in this Agreement.

C. Employee represents and warrants that she possesses the necessary qualifications, education and experience to perform the duties of Executive Director as herein defined.

NOW, THEREFORE, in consideration of the promises and the mutual covenants hereinafter set forth, and intending to be legally bound hereby, it is hereby agreed as follows:

- 1. Position and Duties.** As of the Effective Date set forth in Section 2, HCBF appoints and agrees to employ Employee and Employee accepts employment as Executive Director of HCBF, to perform the duties set forth in the attached job description and to perform such other legally permissible and proper duties and functions as the HCBF Board of Directors (“Board”) may from time to time assign. Employee shall report to and serve at the pleasure of the Board. Employee shall diligently and conscientiously devote her full business time, attention, energy, knowledge, skill and diligent efforts to the business of HCBF and shall abide by all policies and decisions made by the Board, as well as all applicable federal, state and local laws, regulations or ordinances. As an exempt, salaried employee, Employee shall be exempt from paid overtime compensation and from Fair Labor Standard Act work hours restrictions and will be expected to work

such reasonable and customary hours as required by the nature of her work assignments. Employee shall not consult or engage in other non-HCBF connected business or employment without the prior knowledge and express written approval of the Board. HCBF reserves the right to modify Employee's duties at any time in its reasonable discretion. Notwithstanding any such change in duties, the employment of Employee will be construed as continuing under this Agreement.

2. Term of Employment

- a. Initial Term.** Subject to the provisions contained in Paragraph 12, HCBF hereby employs Employee for a term of one (1) year, commencing on September 4, 2017 (the "Effective Date") and expiring on the close of business on September 3, 2018 (the "Initial Term").
- b. Automatic Renewal.** Subject to the early termination provisions of this Agreement, at the conclusion of the Initial Term, this Agreement shall automatically renew for additional terms of one (1) year until either Employee or HCBF gives the other party thirty (30) days written notice of intent not to renew. Successive one-year terms following the Initial Term shall be referred to as "Subsequent Terms." Both parties retain absolute discretion to elect not to renew this Agreement following the Initial Term or any Subsequent Term with or without cause and thereby terminate the employment relationship. The Initial Term and any Subsequent Term, if any, are collectively referred to as the "Employment Term".
- c. No Obligation to Renew.** Nothing stated in this Agreement or represented orally or in writing to either party shall create an obligation to renew this Agreement after the Initial Term or any Subsequent Term.

3. Compensation.

- a. Salary.** As compensation for the services Employee renders pursuant to this Agreement, Employee shall receive from HCBF a salary in the amount of one hundred twenty-eight thousand (\$128,000.00) dollars per annum ("Salary"). At the one-year anniversary of this Agreement and annually thereafter while this Agreement is in effect, the Board shall review Employee's Salary in light of her performance and the Board and may, in its sole discretion, modify such Salary by an amount it determines to be appropriate. Salary shall be paid in equal semi-monthly installments in accordance with HCBF's payroll practices.

- b. Employee Benefits.** Employee shall be eligible to participate in HCBF's employee benefit programs, if any, offered from time to time during the Employment Term to the extent that Employee qualifies under the eligibility provisions of the applicable plan or plans. The foregoing shall not be construed to require the HCBF to establish such plans or to prevent the modification or termination of such plans once established, and no such action or failure thereof shall affect this Agreement. Employee recognizes that HCBF has the right, in its sole discretion, to amend, modify or terminate its benefit plans without creating any rights in Employee.
- c. Vacation.** During the Initial Term and any Subsequent Term, Employee will be entitled to fifteen (15) days of paid vacation per year. Employee shall not schedule more than ten (10) consecutive vacation days without prior approval of the Board Chair. Vacation time shall continue to accrue as long as Employee's total accrued vacation does not exceed twenty five (25) days ("Vacation Cap"). Should Employee's accrued vacation time reach the Vacation Cap, Employee shall cease to accrue further vacation time. The days selected for Employee's vacation shall not unreasonably interfere with the performance of his job and shall be mutually agreeable to Employee and the Board.
- d. Holidays.** Employee shall be entitled to the following paid holidays:
- New Year's Day
 - Martin Luther King's Birthday
 - Cesar Chavez Day
 - Presidents Day
 - Memorial Day
 - Independence Day
 - Labor Day
 - Thanksgiving Day
 - Friday Following Thanksgiving Day
 - Christmas Day
- e. Sick Days.** During the Initial Term and any Subsequent Term, Employee shall be entitled to a maximum of ten (10) paid Sick Days. Sick Days may be used for the Employee's personal health needs or when her personal attendance is required to care for an immediate family member who is ill or injured. For the purposes of this provision, immediate family is defined as a spouse, son (including step-sons), daughter (including step-

daughters), father, mother, grandchild or close relation residing in Employee's household. Earned, unused sick Days leave may be carried forward into a succeeding year of employment, but no sick leave shall be carried forward beyond the end of one (1) succeeding year of employment.

- 4. Business Expenses and Reimbursement.** HCBF will reimburse Employee for all ordinary and necessary business expenses as the Board shall from time-to-time agree are necessary for the performance of Employee's duties following receipt from Employee of documentation that reasonably verifies the expense as a full or partial deductible item for income tax purposes. Employee shall not incur expenses in excess of one thousand (\$1,000.00) dollars in any calendar month without the Board's, or its designee's prior written approval.
- 5. Indemnification.** Except as to expenses, costs, judgments, fines or settlement amounts which result from conduct which is determined by a court of competent jurisdiction to be outside the scope of employment, knowingly fraudulent or deliberately dishonest or to constitute some other type of willful misconduct, HCBF shall indemnify Employee to the maximum extent permitted by law and HCBF's bylaws if Employee is made a party, or threatened to be made a party, to any threatened or pending legal action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that Employee is or was an employee of HCBF, in which capacity Employee is or was serving at HCBF's request, against reasonable expenses (including reasonable attorneys' fees), judgments, fines and settlement payments incurred by him in connection with such action, suit or proceeding.
- 6. Relationship Between the Parties.** The parties recognize the Board will manage the business affairs of HCBF. The relationship between HCBF and Employee created by this agreement is that of an employer and employee. Nothing contained in this Agreement shall be construed to give Employee any interest in the tangible or intangible assets of HCBF.
- 7. Confidential Information.** During the term of this Agreement, Employee will have access to and become acquainted with what she and HCBF acknowledge is Confidential Information, including but not limited to information about personnel or contractors, attorney/client privileged information and any other information not generally known to the public which, if misused or disclosed, could reasonably be expected to harm HCBF or constitute an invasion of privacy. Employee shall keep Confidential Information, whether or not prepared or developed by Employee or by someone else, in the strictest confidence. Employee will not disclose such information to anyone outside HCBF without

HCBF's prior written consent nor make use of any Confidential Information for Employee's own purposes or the benefit of anyone other than HCBF. Confidential Information does not include information that was in Employee's possession or known to Employee prior to her relationship with HCBF, is or becomes public knowledge through a source other than Employee and through no fault of Employee, or is or becomes lawfully available to Employee from a source other than HCBF.

- 8. Public Conduct.** Employee agrees not engage in any conduct that will reasonably tend to degrade her or bring HCBF into public hatred, contempt, or ridicule, or tend to offend the community in which Employee represents HCBF, or to prejudice HCBF's position in its community.
- 9. No Conflict.** Employee represents and warrants to HCBF that she has the capacity to enter into this Agreement and that the execution, delivery and performance of this Agreement will not violate any agreement, undertaking or covenant to which Employee is party or is otherwise bound, including any obligations with respect to proprietary or confidential information of any other person or entity.
- 10. Termination.** This Agreement shall terminate at the conclusion of the Initial Term or any Subsequent Term in the event that either party provides notice of nonrenewal as provided in Section 2. Otherwise, this Agreement shall be terminable during the Employment Term only as follows:
 - a. Death.** The Employment Term and employment relationship shall terminate on the date of Employee's death, in which event Salary and employee benefits owing to Employee through the date of his death shall be paid to her estate. Employee's estate will not be entitled to any other compensation under this Agreement.
 - b. Disability.** HCBF and Employee shall each have the right to terminate the Employment Term and employment relationship in the event of Employee's Disability. "Disability" as used in this Agreement shall have meaning set forth in Section 22(e)(3) of the Internal Revenue Code, which as of the date of this Agreement is as follows: "An individual is permanently and totally disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months." A termination of Employee's employment by either party for Disability shall be communicated to the other party by written notice, and shall be effective on the 30th day after receipt of such notice

by the other party (the "Disability Effective Date"), unless Employee returns to full-time performance of his duties before the Disability Effective Date.

c. Termination for cause. HCBF may terminate the Employment Term and employment relationship for cause. Upon such termination, HCBF shall be released from any and all further obligations under this Agreement, except for accrued Salary and employee benefits owing to Employee through the termination date.

i. For the purposes of this Agreement, "Cause" shall include, without limitation, the following:

1. any act or omission by Employee that reasonably constitutes a material or repeated breach of this Agreement or HCBF's policies and procedures including, without limitation, misappropriation, insubordination, dishonesty, gross carelessness, or misconduct;
2. failure to substantially perform assigned work duties consistent with the position of Executive Director (other than as a result of disability);
3. conviction by a court of competent and final jurisdiction (including entry of a plea of guilty or nolo contendere) of a felony criminal offense involving moral turpitude or punishable by imprisonment; or
4. termination of the operation of the HCBF.

11. Obligations of Employee on Termination.

- a. Employee acknowledges and agrees that all property, including keys, credit cards, books, manuals, records, reports, notes, contracts, copies of any of the foregoing, and any equipment furnished to Employee by HCBF belong to HCBF and shall be promptly returned to HCBF upon expiration or termination of this Agreement and termination of employment.
- b. No later than thirty (30) days after termination of employment, for any reason, Employee shall disclose all pending contracts, contract applications, grant applications, and letters of intent requiring action.
- c. Following termination of employment, Employee shall cooperate with HCBF in winding up or transferring to other employees of any pending

work and shall also cooperate with HCBF in the defense of any action brought by any third party against HCBF that relates to Employee's employment by HCBF.

- d. Employee agrees that following termination of her employment, she shall not access or use any of HCBF's computer systems, e-mail systems, voicemail systems, intranet system or other system, except as authorized by HCBF.
- e. Employee agrees that her obligations under this Section 11 shall survive the termination of employment and the expiration of this Agreement.

12. Notices. All notices given under this Agreement shall be in writing and shall be deemed to have been duly given: (a) when delivered personally; (b) three business days after being mailed by first class certified mail, return receipt requested, postage prepaid; (c) when delivered by electronic mail to either party's email address, or (d) one business day after being sent by a reputable overnight delivery service, postage or delivery charges prepaid. Any party may change its or her address for notice and the address to which copies must be sent by giving notice of the new addresses to the other parties in accordance with this Paragraph, except that any such change of address notice shall not be effective unless and until received.

If to the HCBF:

Harbor Community Benefit Foundation
150 West 6th Street, Suite 203
San Pedro, CA 90731
Attention: Chair of the Board
David Sloane
email: dsloane@price.usc.edu

If to Employee:

Meghan Reese
2702 Harvey Way
Lakewood, CA 90712
email: Meghan.reese@gmail.com

With Copy to:

Michael Jenkins
Jenkins & Hogin LLP
1230 Rosecrans Avenue, Ste 110
Manhattan Beach, CA 90266
mjenkins@localgovlaw.com
(310) 643-8448

13. Taxes. All payments required to be made to Employee hereunder, whether during the term of his employment hereunder or otherwise, shall be subject to all applicable federal, state, and local tax withholding laws.

14. Resolution of Disputes. Employee and HCBF hereby agree that they will endeavor to resolve any controversy, dispute or claim arising out of or relating to Employee's employment with HCBF through good faith negotiation and mediation with a third party mediator.

15. General Provisions.

a. Applicable Law. This Agreement is to be governed by the laws of the State of California.

b. Captions and Paragraph Headings. Captions and paragraph headings used herein are for convenience only, are not a part of this Agreement, and will not be used in construing it.

c. Counterparts. This Agreement may be executed simultaneously in two or more counterparts each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

d. Entire Agreement. This Agreement contains the entire agreement of the parties and supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of Employee by HCBF. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party that are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement will be valid or binding.

e. Modification. This Agreement may not be modified or amended by oral agreement, but only by an agreement in writing signed by Employee and a duly authorized officer of HCBF.

f. Construction. This Agreement was prepared by counsel for HCBF but same shall not be construed against any party hereto by virtue of the fact that said party drafted, or had said Agreement drafted. Employee acknowledges that this Agreement was subject to the good faith negotiations on the part of both parties and that each was free to cause changes to be made in same. Employee represents that she is

knowledgeable and sophisticated as to business matters, including the subject matter of this Agreement, that she has read this Agreement and understands its terms. Employee further acknowledges that she had the right to secure counsel prior to the execution of this Agreement and that to the extent, if any, that she desired, she has fully availed herself of this right. Employee further acknowledges that she is voluntarily entering into this Agreement and that she understands that all terms and provisions of this Agreement are binding upon her, and are not mere recitals.

Employee:

Harbor Community Benefit Foundation:

Meghan Reese

By _____
David Sloane
Its: _____
Chair

Dated: September 29, 2017

Dated: September 29, 2017