

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is entered into this first day of July, 2019, by and between Mammoth Lakes Tourism, a California mutual benefit corporation (“Employer” or “MLT”) and John Urdi (“Employee”).

Recitals

- A. Employee has been the Executive Director of Employer since _____.
- B. The parties wish to extend their employment relationship in accordance with the terms of this Agreement.

NOW THEREFORE, the parties agree as follows:

1. Terms of Employment. Employer hereby employs Employee as its Executive Director, and Employee hereby accepts such employment, for a term of four (4) years, commencing on July 1, 2019 and terminating on June 30, 2023, except as may otherwise be provided in this Agreement. The term of this Agreement shall be automatically renewed for one year at the end of the previous term unless either party provides written notice to the other of its or his intent to terminate this Agreement not less than thirty (30) days prior to the end of the then current term. Any reference in this Agreement to the term of this Agreement shall mean the duration of Employee’s employment hereunder whether that be in accordance with the initial term, a renewed term, or any other term as may be authorized by the written agreement of both parties.

2. Duties and Obligations of Employee.

2.01 General Duties. In his capacity as the Executive Director of Employer, Employee shall do all things necessary and advisable to manage and conduct the business of Employer subject to the policies of Employer, acting through its Board of Directors (the “Board”) and the terms of this Agreement. Without limitation, Employee’s duties shall include the hiring and firing of employees consistent with the budgetary guidelines of Employer.

2.02 Matters Requiring Consent of Board. Employee shall obtain the specific prior approval of Board for purchases of capital equipment, or for expenditures more than twenty-five thousand dollars (\$25,000) or twenty percent of the amount budgeted therefore by the Board, whichever is higher. All checks for expenditures requiring Board approval hereunder shall be signed jointly by Employee and the Board Treasurer. In the event one or both are not available, the Chair, Vice-Chair and Secretary of the Board shall have the authority to sign such checks.

2.03 Non-Competition. During the term of this Agreement, Employee shall not actively or passively own, entirely or partially, or participate in any business or professional activity that competes, directly or indirectly, with Employer or the goals or activities of MLT whether for compensation or otherwise, without the prior written consent of Employer.

2.04 Uniqueness of Employee's Services. Employee agrees that the services to be performed by Employee under the terms of this Agreement are of a special, unique, and intellectual character that gives them a peculiar value, the loss of which cannot be reasonably compensated in damages in an action at law. Employee therefore further agrees that Employer, in addition to any other rights or remedies available to Employer, shall be entitled to injunctive and other equitable relief to prevent or remedy a breach of this Agreement by Employee.

2.05 Indemnification of Employer. Employee shall indemnify, defend and hold Employer financially free and harmless from all claims, expenses, and losses arising from the actions or inactions of Employee occurring outside the course and scope of his employment under this Agreement.

2.06 Proprietary Interests of Employer.

(a) All files, records, documents, drawings, specifications, software and other property of Employer, whether or not prepared by Employee, are the exclusive property of Employer and shall at all times remain as such, and shall not be given to others without the prior written consent of Board.

(b) During the term of this Agreement, Employee shall have access to information, file contents, records and other property of Employer that is confidential and not known or subject to being known or discovered except through MLT. Such information, documents and other property is defined for purposes of this Agreement as "Trade Secrets." Employee shall not disclose, divulge or furnish any such Trade Secrets to anyone, excepting only Board members, employees of MLT, and outside contractors of MLT who, in the opinion of Employee, cannot adequately perform their contract with MLT without the Trade Secret(s). Any contract with such outside contractors shall include a provision requiring such contractors to preserve the confidentiality of such Trade Secrets.

3. Duties and Obligations of Employer

3.01 Indemnification. Employer shall indemnify, defend and hold Employee financially free and harmless from all claims, expenses and losses incurred by Employee in the course and scope of his employment under this Agreement, to the extent such claims, expenses and losses are not covered by Employer's insurance.

3.02 Office and Staff. Employer shall provide Employee with appropriate staff, an office adequate for Employee and his staff, and all reasonably necessary equipment and facilities to enable Employee to fulfill his duties under this Agreement, including, but not limited to, a cell phone and laptop computer.

3.03 Credit Card. Employer may, in the sole exercise of its discretion, provide Employee with a credit card for all or a part of the term of this Agreement. If so, the credit card shall only be used incident to Employee's duties under this Agreement and its use shall be subject to any written instructions imposed by Employer. Employer shall pay the credit card statements but Employee shall submit all receipts evidencing charges on the card to Employer on a monthly

basis. Any points or other incentives provided by the credit card company shall only be used for the benefit of Employer, as determined in the sole discretion of Board.

4. Compensation of Employee.

4.01 Retention Bonus. Concurrently with the parties' execution of this Agreement, Employer shall pay to Employee a one-time retention bonus of Thirty Thousand dollars (\$30,000).

4.02 Salary. Subject to modification as described hereinbelow, Employer shall pay to Employee an annual salary of Two Hundred Six Thousand, Six Hundred Eight-Five dollars (\$206,685) per year for the term of this Agreement, payable in equal installments of Seventeen Thousand, Two Hundred Twenty-Three dollars and Seventy-Five cents (\$17,223.75) on the first and sixteenth day of each month. Board shall have the option, in the sole exercise of its discretion, to increase the amount of Employee's annual salary by up to five percent (5%) annually. Any such decisions to increase Employee's annual salary shall be made no later than three months after the end of MLT's fiscal year and shall be effective until either the end of the then current term of Employee, the date of a subsequent salary modification by Board consistent with the terms hereof, or that date which is ninety days after the end of the current fiscal year of MLT, whichever date comes first.

4.03 Annual Bonuses. In addition to Employee's salary and other compensation specified in this Agreement, Employee shall be eligible to receive annual performance bonuses as follows, the total amount not to exceed fifteen percent (15%) of Employee's then annual salary. All such bonuses, if any, shall be paid to Employee by no later than October fifteenth of each year of the term of this Agreement.

(a) Transient Occupancy Tax Bonus. The Transient Occupancy Tax ("TOT") bonus shall be a non-discretionary bonus based solely on a comparison of the actual (not budgeted) TOT revenue for the Town of Mammoth Lakes ("Town") for the prior fiscal year of MLT (the "Review Year") with the Town's average annual TOT revenue for the three fiscal years of MLT prior to the Review Year (the "Average"). If the TOT for the Review Year is less than four percent (4%) higher than the Average, Employee shall not be entitled to a TOT bonus. If the TOT for the Review Year is at least four percent (4%) but less than six percent (6%) higher than the Average, Employee shall receive a bonus equal to two and a quarter percent (2.25%) of his then annual salary. If the TOT for the Review Year is at least six percent (6%) but less than eight percent (8%) higher than the Average, Employee shall receive a bonus equal to three point three seven five percent (3.375%) of his then annual salary. If the TOT for the Review Year is eight percent (8%) or more higher than the Average, Employee shall receive a bonus equal to four and a half percent (4.5%) of his then annual salary, which represents the maximum TOT bonus for which Employee shall be eligible.

(b) Tourism Business Improvement District Bonus. The Tourism Business Improvement District ("TBID") bonus shall be a non-discretionary bonus based solely on a comparison of the actual (not budgeted) TBID assessment revenue for the TBID of the Town for the prior fiscal year of MLT (the "Review Year") with the TBID's average annual assessment revenue for the three fiscal years of MLT prior to the Review Year (the "Average"). If the TBID

assessments for the Review Year are less than two percent (2%) higher than the Average, Employee shall not be entitled to a TBID bonus. If the TBID assessments for the Review Year are at least two percent (2%) but less than four percent (4%) higher than the Average, then Employer shall receive a bonus equal to two and a quarter percent (2.25%) of his then annual salary. If the TBID assessments for the Review Year are at least four percent (4%) but less than six percent (6%) higher than the Average, then Employee shall receive a bonus equal to three point three seven five percent (3.375%) of his then annual salary. If the TBID assessments for the Review Year are six percent (6%) or more higher than the Average, Employee shall receive a bonus equal to four and a half percent (4.5%) of his then annual salary, which represents the maximum TBID bonus for which Employee shall be eligible.

(c) Board Evaluation Bonus. Board may, in the sole exercise of its discretion, grant Employee an annual bonus not to exceed three percent (3%) of Employee's then salary, based on the Board's evaluation of Employee's performance. This is a discretionary bonus. Board can enlist the assistance of an Executive Director Review Committee with regard to its bonus evaluation if it so chooses.

(d) Staff Evaluation Bonuses. After the end of each fiscal year of MLT, the Board, assisted by an Executive Director Review Committee if it so desires, shall prepare and disseminate to each MLT employee, including Employee, an Executive Director Review Questionnaire. The Board shall review and evaluate the completed questionnaires (with the assistance and recommendations of an Executive Director Review Committee, if it so chooses), and, based on the completed questionnaires, determine whether or to what extent to grant Employee a staff evaluation bonus not to exceed three percent (3%) of Employee's then salary. This is a discretionary bonus to be determined in the sole exercise of Board's discretion.

4.04 Severance Pay. Should Employee be terminated by Employer without cause during the term of this Agreement, Employee shall be entitled to severance pay equal to six (6) months of his then salary, to be paid within forty-eight (48) hours of termination.

4.05 Health Benefits. Employer shall provide Employee during the term of this Agreement with a paid healthcare plan that covers one hundred percent of the medical, dental and vision expenses of Employee, his spouse (if any) and his children.

4.06 Retirement Plan. Employer shall provide Employee during the term of this Agreement with a 401K plan matched up to four percent (4%) based on a five percent (5%) salary deferral.

4.07 Vacation. During the term of this Agreement, Employee shall be entitled to paid vacation and holiday days in accordance with Board policy applicable to all MLT employees.

4.08 Miscellaneous Benefits. During the term of this Agreement, Employer shall provide Employee with the following additional compensation:

(a) A vehicle suitable for the performance of his duties under this Agreement. Employer shall pay for the automobile insurance, fuel, service and repair costs for the vehicle.

While personal use of this vehicle by Employee is permitted, Employee shall be responsible for all applicable federal and state income taxes resulting from such personal use.

(b) Fully paid IKON passes, or any subsequent successor passes that incorporate Mammoth Mountain Ski Area, for Employee, his spouse (if any) and his children who are under the age of eighteen (18).

(c) Fully paid golf passes to the Snowcreek Golf Course for Employee, his spouse (if any) and his children who are under the age of eighteen (18).

4.09 Exempt Salaried Employee. The parties agree that due to the fact Employee spends most of his time making discretionary and policy decisions, preparing budgets, and hiring and supervising and terminating employees, he is exempt from the hourly wage and overtime requirements of California law, and is entitled to be paid a salary, without keeping track of the time he spends in his performance of this Agreement.

5. Termination of Employment.

5.01 Termination for Cause. In the reasonable exercise of Board's discretion, Board may terminate Employee's employment under this Agreement for cause if Employee breaches the terms of this Agreement, either willfully or with gross negligence; habitually neglects the duties which he is required to perform by the terms of this Agreement; or commits such acts of dishonesty, fraud, misrepresentations or moral turpitude as would prevent or detract from the appropriate performance of his duties or cast MLT in an unacceptably bad light. Should Employer decide to so terminate this Agreement for cause, Employer shall provide Employee with written notice of termination which shall state the effective date of termination (determined in the sole exercise of Employer's discretion) and the reasons for termination. Such termination shall be effectuated without prejudice to any other remedy to which Employer may be entitled at law, in equity, or pursuant to the terms of this Agreement. Upon termination for cause as provided in this section, Employee shall be entitled only to compensation earned under this Agreement to the effective date of termination.

5.02 Termination Without Cause.

(a) Employer may, in the sole exercise of its discretion, terminate this Agreement without cause, subject to the terms of this Agreement pertaining to termination without cause.

(b) Employer shall have the right, in the sole exercise of its discretion, to terminate this Agreement should Employee suffer any physical or mental injury or disability that would prevent Employee's adequate performance of his duties under this Agreement. Such termination shall be effected by Employer giving Employee thirty (30) days advance notice in writing. Termination under this section shall be considered termination without cause for all purposes under this Agreement. Nothing in this section is intended to supersede or modify any non-waivable laws or regulations regarding workers compensation or equal opportunity

(disability) including, without limitation, the California Fair Employment and Housing Act, as such laws or regulations might be applicable.

5.03 Termination by Employee. Employee may terminate this Agreement for any reason or for no reason by giving Employer not less than sixty (60) days written notice in advance, in which case Employee shall only be entitled to compensation earned under this Agreement to the effective date of termination and shall not be entitled to severance pay.

6. General Provisions.

6.01 Dispute Resolution. In the event of any disputes between the parties arising out of this Agreement, the parties shall agree on a mediator to mediate such disputes prior to the initiation of any legal action by one party against another party. If the parties cannot agree on the identity of a mediator, then the parties shall be required to submit their disputes to JAMS for mediation and JAMS shall select the mediator. Should any party proceed to litigation against another party without reasonably and in good faith arranging for participating in such a mediation, that party shall not be entitled to an award of attorneys' fees and costs in such litigation even if that party is the prevailing party therein. This dispute resolution provision shall not apply to legal actions in small claims court or to actions to obtain a temporary restraining order.

6.02 Notices. Notices to be given shall be deemed served if delivered personally to either the Chairperson of the Board or Employee, as the case may be, or if mailed by certified mail to parties at the following addresses

Employer

Chairperson
Mammoth Lakes Tourism
P.O. Box _____
Mammoth Lakes, CA 93546

Employee

John Urdi
P.O. Box _____
Mammoth Lakes, CA 93546

Notices delivered personally shall be effective on the date of delivery. Notices by certified mail shall be deemed effective five business days after mailing, regardless of whether the recipient signs for it.

6.03 Covenant Against Assignment. This Agreement shall not be assignable by either party.

6.04 Attorneys' Fees. Should the parties become involved in any action at law or in equity related to this Agreement or the enforcement, breach or interpretation thereof, the prevailing party therein shall be entitled to an award of attorneys' fees and costs reasonably incurred in such matter.

6.05 Transaction Attorneys' Fees. At the appropriate time prior to Closing the parties shall exchange copies of the billings from their respective attorneys evidencing reasonable services rendered for the negotiation, preparation and consummation of this Agreement and all exhibits

thereto. This exchange shall be for the purpose of determining the total of such fees and costs. This total shall be divided equally among the parties, and the party incurring the lesser amount of such fees and costs shall pay to the other party the amount necessary to accomplish this equal division at Closing and as a condition thereof.

6.06 Joint Preparation. This Agreement shall be deemed to be jointly prepared by all parties hereto and with the assistance of independent legal counsel. In connection therewith, the provisions of California Civil Code section 1654 shall not be deemed to be applicable in the event of any interpretation of this Agreement.

6.07 Agreement Made in Mono County. This Agreement is made in Mono County, California. This Agreement shall be interpreted under California law and according to its fair meaning, and not in favor of or against any party.

6.08 Modification. This Agreement cannot be altered, modified, changed, extended, waived, or terminated, except by a writing signed by both parties.

6.09 Entire Agreement. This Agreement, along with the attached exhibits and any other documents executed as a part of this transaction, contain all of the understandings of Sellers and Buyers relating to the subject matter of this Agreement. This Agreement supersedes and cancels any prior understandings and agreements between the parties relating to the subject matter of the Agreement.

6.10 Binding Nature of Agreement. This Agreement shall bind the parties hereto and their legal representatives, as well as their successors and assigns.

6.11 Advice of Counsel. The parties acknowledge and represent that, in effecting and executing this Agreement, they have received from legal counsel full legal advice as to their legal rights; and that they have read all of this Agreement and fully understand its content and effect.

6.12 Voluntariness. The parties have entered into this Agreement voluntarily, and free from duress, fraud, undue influence, coercion or misrepresentation of any kind.

6.13 Partial Invalidity. In the event any provision of this Agreement shall be found to be illegal or unenforceable as a matter of law by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect unless such finding shall materially frustrate the purpose and intent of this Agreement.

Executed on the date first above written at Mammoth Lakes, Mono County, California.

Mammoth Lakes Tourism
“Employer”

By: _____
Its: Chairperson

John Urdi
“Employee”