

STATE OF SOUTH CAROLINA)
)
COUNTY OF ANDERSON)

MASTER EMPLOYMENT AGREEMENT

THIS AGREEMENT made and entered into this 22nd day of July, 1998, by and between the County of Anderson, State of South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (hereinafter referred to as "The County") and Joey R. Preston (hereinafter sometimes referred to as "Administrator"), both of whom understand and agree as follows:

W I T N E S S E T H

WHEREAS, the County, acting by and through its governing body, the Anderson County Council (hereinafter referred to as the "Council"), desires to continue to employ the services of Joey R. Preston as Administrator of Anderson County and enters into this agreement as a binding legal and contractual obligation and commitment pursuant to Section 4-9-620 of the South Carolina Code of Laws, 1976, as amended; and

WHEREAS, it is the desire of the Council to establish certain conditions of employment and to provide certain benefits for and to set working conditions of the Administrator; and

WHEREAS, it is the desire of the Council (1) to secure and retain the services of the Administrator and to provide inducement for him to remain in such employment, (2) to make possible full work productivity by assuring the Administrator's morale and peace of mind with respect to future security, (3) to act as a deterrent against malfeasance or dishonesty for personal gain on the part of the Administrator, and (4) to provide a just means for terminating the Administrator's services at such time as he may be unable fully to discharge his duties due to age or disability or when the County may desire to otherwise terminate his employment; and

WHEREAS, the Administrator desires to continue employment as Administrator of Anderson County under the terms and conditions of employment as referenced herein:

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. DUTIES

County hereby agrees to employ and to continue to employ Joey R. Preston as the Administrator of Anderson County to perform the functions and duties specified in Section 4-9-630 of the South Carolina Code of Laws, 1976, as Amended, and to perform such other legally permissible and proper duties and functions as the Council shall from time to time assign, whether by job description or otherwise.

Section 4-9-660 of the South Carolina Code of Laws, 1976, as amended, which governs dealings between and among Council, its members, the Administration, and County employees, directs and governs the Administrator's performance of duties on behalf of Council and requires:

"Except for the purposes of inquiries and investigations, the council shall deal with county officers and employees who are subject to the direction and supervision of the county administrator solely through the administrator, and neither the council nor its members shall give orders or instructions to any such officers or employees."

SECTION 2. TERM

A. The Administrator serves at the pleasure of Council, and nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of Anderson County Council to terminate the services of the Administrator at any time, subject only to the provisions set forth in Section 3, Paragraphs A, B, and C of this Agreement.

B. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Administrator to resign at any time from his position with the County, subject only to the provision set forth in Section 3, Paragraph D of this Agreement.

C. The Administrator agrees to remain in the exclusive employ of the County from July 22, 1998 the first day of his employment with the County under this Master Employment Agreement until July 21, 2001 a date three (3) years from such first day of employment under this Master Employment Agreement, and to neither seek nor accept employment nor become employed by any other employer until said termination date, unless said termination date is effected as hereinafter provided.

The term "employed" shall not be construed to include occasional teaching, writing, speaking, or consulting performed on personal time off, even if outside compensation is provided for such services. Said activities are expressly allowed, provided that in no case is any activity allowed which would present a conflict of interest with the County or interfere with Administrator's execution of duties for the County. In the event travel is required for such non-County related business, the Council shall be notified in advance. De Minimis use of County owned equipment for the purposes noted in this paragraph is hereby authorized.

D. In the event written notice of intent to not renew this Agreement is not given by either party to this Agreement to the other at least ninety (90) days prior to any annual anniversary of the date first above written, this agreement shall be extended on the same terms and conditions as herein provided, all for a new term consisting of the term then remaining at such annual anniversary date plus an additional period of one (1) year; such that the maximum effective term of this Agreement shall never exceed three (3) years and not be less than the respective term remaining when any notice of intent to not renew is given. Said agreement shall continue thereafter for a continuing, annually renewable term consisting of the respective term then remaining at such annual anniversary date unless written notice of intent to not renew is given by either party to this Agreement to the other at least ninety (90) days prior to any subsequent annual anniversary of the date first above written.

SECTION 3. TERMINATION AND SEVERANCE PAY

Termination with Cause

A. Grounds for termination with cause shall be the conviction of the Administrator of any crime involving personal gain to himself, any crime involving moral turpitude (as defined in South Carolina state law) or the refusal of the Administrator to perform the duties of this office. For the purposes of this section the duties of his office include maintaining reasonable, consistent office hours, except during such times as the duties of his office require his absence or as noted elsewhere in this Agreement, compliance with the laws and Constitution of the State of South Carolina, performance of the duties set forth in Section 1 of this Agreement, and compliance with the lawful directives of the Council passed in open, public meetings of said Council which do not conflict with or invade the responsibilities and authority conferred on the Administrator by the South Carolina Constitution or Code of Laws. If a majority of Council members feel that the Administrator is not in compliance with the above duties, then said members shall cause a certified mail, return receipt requested letter to be sent to the Administrator advising him of his non-compliance and stating a reasonable length of time offered him for correction. If, after such reasonable time period has passed, the Administrator fails to correct the noted non-compliance he may be terminated with cause and shall not be entitled to severance pay, but shall be entitled to all compensation and benefits accrued yet unpaid at the date of termination.

Illness and Disability

In the event the Administrator shall suffer serious illness or injury during the contract period, he shall be afforded a minimum of 90 work days as a recovery period before he may be deemed to be in violation of the terms of his contract and subject to the provisions relating to termination with cause. Council may upon public vote extend this recovery period. Nothing in this Agreement shall be construed as to exempt such 90 work day (or longer, as authorized by Council) recovery period from the normal County rules governing use of leave and sick time and leave-without-pay to cover time absent from work. Further, nothing in this Agreement is intended to negate or diminish the Administrator's entitlements, benefits, or rights under any applicable law or regulation, it being the intent of the Parties that this Agreement is in addition to, not in lieu of, all applicable laws and regulations.

Termination Without Cause

B. If the Administrator is terminated for any reason other than those set out above, he shall be deemed to have been terminated without cause and shall be entitled to all pay and financial benefits remaining on his contract for the balance of the contract period in a lump sum or in incremental payments, as he, in his sole discretion, shall choose, as severance pay for such termination without cause. In addition, the Administrator shall also be compensated for all earned sick leave, vacation, holidays, compensatory time and other accrued benefits to date, calculated at the rate of pay in effect upon termination. The Administrator shall receive

additional severance pay under this paragraph, based upon the length of his total service to the County, and computed at the rate of one month aggregate compensation under this Agreement for every two years of such service, based on his date of hire of September 25, 1996. The total severance pay under this Agreement shall not exceed thirty-six (36) months aggregate, total compensation at the rate of pay in effect upon termination. Further, in the event that Administrator is terminated by the Council as set forth in this Section (without cause), then in that event all life, health, dental, and disability insurance and all other County provided benefits for the Administrator shall continue in full force and coverage, at County expense, for a period of six (6) months or until similar coverage is provided to Joey R. Preston by a subsequent employer (and is in full force and effect) whichever comes first. Said continuation of group health insurance coverage shall be in addition and prior to any protection afforded Administrator by the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). Coverage under COBRA shall begin on the date all coverage extended under the severance provisions herein expire.

C. In the event the County at any time during the employment term reduces the salary, compensation, or other benefits of the Administrator in a greater percentage than an applicable across-the-board reduction for all County employees, or in the event the County refuses, following written notice, to comply with any other provision benefitting the Administrator herein, or if the Administrator is reassigned to another position within the County's employ then, in that event, the Administrator may, at his sole option, be deemed to be "terminated without cause" at the date of such reduction or such refusal to comply, or such other act enumerated in this Section, all within the meaning and context of the severance pay provisions herein contained, and all with the same effect and rights as described in Subsection B of this Section 3.

D. In the event the Administrator voluntarily resigns his position with the County before expiration of the aforesaid term of employment, then the Administrator shall give the County three (3) months notice in advance of such intent to resign and, if he should fail to give such notice, shall forfeit a proportionate amount of salary equal to the salary due for the period by which he fails to give such three (3) months notice as a liquidated damage penalty for failure to give adequate notice to the County.

E. Contemporaneously with the delivery of all severance pay and entitlements hereinabove set out, the Administrator agrees to execute and deliver to the County a release, releasing the County of all further claims that the Administrator may have against the County.

SECTION 4. SALARY

County agrees to pay the Administrator for his services rendered pursuant hereto an initial annual base salary of Ninety-Five Thousand Dollars (\$95,000), payable in installments at the same time as other employees of the County are paid, plus an annual payment of Five Thousand Dollars (\$5,000) to the Administrator's designated 401K deferred compensation plan. County further agrees to adjust Administrator's base salary at the same times and in the same relative degree or percentage as it adjusts those of other employees of the County. Further, the County agrees to pay the Administrator on or about every July 1, a pay step increase in gross salary consistent with the County's then current wage and compensation plan, but not less than two percent (2%) in any event, and based upon a satisfactory performance evaluation as covered in Section 12 of this Agreement. Finally, in addition to the foregoing, the County agrees to compensate the Administrator, at a daily and hourly rate based on his then current annual salary, for any accrued annual leave, in excess of the maximum amount which the Administrator can carry forward to the next accounting year, which the Administrator would otherwise forfeit because of nonuse.

SECTION 5. HOURS OF WORK

A. It is recognized that the Administrator must devote a great deal of his time outside normal office hours to business of the County, and to that end the Administrator will be allowed to take compensatory time off as he shall deem appropriate during said normal office hours.

B. The Administrator shall not spend more than ten (10) hours per week in teaching, consulting or other non-county connected business for compensation, without the express prior approval of Council.

C. Except as otherwise noted in this Agreement, the Administrator will observe the normal business and working hours of County government and will work sufficient hours to satisfactorily discharge the duties, obligations, and requirements of his office.

SECTION 6. AUTOMOBILE

The Administrator's duties require that he shall have the exclusive and unrestricted use at all times during his employment with the County of a suitable automobile, with cellular telephone, provided at no cost to him by the County. The County shall be responsible for paying for liability, property damage, and comprehensive insurance and for the purchase, operation, fuel, maintenance, repair and regular replacement (at intervals of not less than every five (5) years or 100,000 miles, whichever comes first) of said automobile and cellular telephone.

SECTION 7. DUES AND SUBSCRIPTIONS

The County agrees to budget and to pay the professional dues and subscriptions of the Administrator necessary for his continuation and full participation in national, regional, state and local associations and organizations necessary and desirable for his continued professional and community participation, growth and advancement.

SECTION 8. BUSINESS TRIPS FOR ANDERSON COUNTY

County does hereby agree to budget and pay the reasonable travel and subsistence expenses of the Administrator for official travel while on County business and for attendance at meetings, seminars and conventions of the South Carolina Association of Counties and the International City Managers Association and Anderson Area Chamber of Commerce.

SECTION 9. VACATION AND SICK LEAVE

The Administrator shall be entitled to and shall accrue annual vacation leave with pay and sick leave in the same manner as other employees of the County. Because Administrator has worked in local government in South Carolina for many years, which inures to the benefit of County in the form of significant experience, but was unable to transfer any of his accrued annual or sick leave, he was deemed, for all leave accrual purposes, to have been employed by County, at the time of hiring, for five (5) years and to have already accrued and have credited to his payroll and personnel accounts, at the time of hiring, the amount of vacation and sick leave which he would have accrued in one (1) year as an employee with five (5) years of County employment. The Administrator's date of hire will be deemed to be the date he actually began work for the County, September 25, 1996, his first day of employment. The Administrator shall be entitled to accrue and carry forward the maximum amounts of annual and sick leave authorized by County personnel policies, but shall be compensated for any annual leave, in excess of the maximum amount which the Administrator can carry forward to the next accounting year, which the Administrator would otherwise forfeit because of nonuse, in accordance with the terms and provisions of Section 4., hereof.

SECTION 10. BENEFIT PLANS

The Administrator shall be entitled to participate in all benefit plans as may be available, from time to time, to employees of the County in the same manner, including County contributions, and to the same extent of said employees to include, without limitation, state retirement plan and medical and other insurance plans.

SECTION 11. INSURANCE COVERAGE AND ANNUAL PHYSICAL

- A. The County agrees to put into force, and make required premium payments for the Administrator, for an insurance policy providing 24-hour coverage for occupational as well as total and permanent disability income benefits, including

residual benefits, with no expiration, no deductible, and no exclusion period. Said policy shall provide 75 % income replacement for short term coverage, from the expiration of any accrued sick leave until long term coverage begins, and 60 % income replacement for long term coverage. Said policy shall also be noncancelable and be guaranteed renewable, with cost of living provisions included.

- B. The Administrator shall be covered by the same health and dental plans as all other employees and the County shall pay the Administrator's share of premiums for the Administrator for the health and dental plans, including family plans, elected by the Administrator and that coverage shall be in full force and effect immediately upon start of service to the County under this Agreement.
- C. The County agrees to purchase and pay the required premiums for term life insurance policies, providing coverage equal in amount to four times the total annual aggregate compensation of the Administrator under this Agreement, with the beneficiary to be designated by the Administrator.
- D. The Administrator agrees to submit once per calendar year to a complete physical examination, by a qualified physician of his choosing, the costs of which shall be paid by the County and/or County's insurance policy.

SECTION 12. PERFORMANCE EVALUATIONS

The Council shall review and evaluate the performance of the Administrator no later than February 1 of each year. The County agrees to increase base salary and/or other benefits of the Administrator at the time of said review, in such amounts and to such extent as provided in Section 4 in light of performance by the Administrator. It is further understood that merit increases based on annual performance evaluations and salary reviews are exclusive of any general cost-of-living increases provided to the Administrator and other employees. The Administrator shall receive all cost-of-living increases, if any, which the County may grant to its other employees, at the same time and in the same manner said increases are granted to those employees.

SECTION 13. SUSPENSION

The County may suspend the Administrator with full pay and benefits at any time during the term of this Agreement, but only if a majority of the Council and the Administrator agree, or, after a public hearing, a majority of the Council votes to suspend the Administrator for "just cause", provided however, that the Administrator shall be given written notice setting forth any charges at least ten (10) days prior to such hearing, by the Council members bringing such charges. "Just cause" is defined, and hereby limited, for the purposes of this Section to the following: (1) willful neglect of duty, (2) conviction of any crime involving moral turpitude, (3)

violation of duties to the County of honesty and sobriety, or (4) any other act of similar nature, or of the same or greater seriousness.

SECTION 14. INDEMNIFICATION

The County shall defend, save harmless, and indemnify the Administrator 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 his duties as Administrator. The County may compromise and settle any such claim or suit and will pay the amount of any settlement or judgment rendered thereon. Said indemnification shall extend beyond termination of employment and the otherwise expiration of this Agreement, to provide full and complete protection to the Administrator by the County as described herein, for any actions undertaken or committed in his capacity as Administrator, regardless of whether the notice of filing of a lawsuit for such tort, claim, demand, or other legal action occurs during or following the Administrator's employment with County.

SECTION 15. CONFLICT OF INTEREST PROHIBITION.

It is further understood and agreed that because of the duties of the Administrator within and on behalf of the County of Anderson and its citizenry, the Administrator shall not during the term of this Agreement, individually, as a partner, joint venturer, officer or shareholder, invest or participate in any business venture conducting business with Anderson County, or receiving economic development incentives from Anderson County, except for stock ownership in any company whose capital stock is publicly held and regularly traded, without the prior approval of the Council.

SECTION 16. OTHER TERMS AND CONDITIONS OF EMPLOYMENT

A. The Council shall fix such other terms and conditions of employment, as it may determine from time to time, relating to the performance of the Administrator, provided such terms and conditions are not inconsistent with, or in conflict with, the provisions of this Agreement or state law.

B. All policy provisions of the County relating to vacation and sick leave, retirement and pension system contributions, holidays and other fringe benefits and working conditions as they now exist, or hereafter may be amended, shall also apply to the Administrator as they would be to other employees of the County, in addition to said benefits enumerated specifically for the benefit of the Administrator, except as herein provided.

C. Except as noted herein, the Administrator shall be entitled to receive the same vacation and sick leave benefits as are accorded department heads, including provisions governing payment therefor on termination of employment.

SECTION 17. GENERAL PROVISIONS

A. The text herein shall constitute the entire agreement between the parties.

B. This Agreement shall become effective commencing on the date of execution by the parties, as first above written and hereby expressly replaces and supersedes that Employment Agreement by and between the same parties dated July 16, 1996, except as to rights and benefits already accrued under that latter Employment Agreement to which the Administrator is entitled, all of which are hereby preserved and carried forward to this Master Employment Agreement.

C. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of the Administrator and the County and its successors.


D. If any provision, or any portion thereof, contained in this Agreement is held to be unconstitutional, invalid, or unenforceable, in whole or in part, by any court of competent jurisdiction, the remainder of this Agreement or the portion thereof in question shall be deemed severable, shall not be affected, and shall remain in full force and effect. It is the intent of the parties to this Agreement that the Agreement be applied, executed, and enforced to the maximum extent possible, at any time, consistent with State law as then in effect, to the benefit of the Administrator. The Administrator shall receive the maximum benefit of each and every provision of this Agreement as may be permitted by law or the Constitution at any point in time.

IN WITNESS WHEREOF, the County of Anderson has caused this Agreement to be signed and executed in its behalf by the Chairman of the County Council, and duly attested by the Clerk to Council, and the Administrator has signed and executed this Agreement, all in triplicate, each of which will be considered an original copy, the day and year first above written.


ATTEST:


Linda N. Gilstrap
Clerk to Council

ANDERSON COUNTY

By 
William A. Floyd, Council Chairman

I ACCEPT THE FOREGOING TERMS AND
CONDITIONS OF EMPLOYMENT:


TERESA L. BANNISTER
NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: MAY 28, 2002


Jocy R. Preston