EMPLOYMENT AGREEMENT

This Agreement is effective November 29, 2017 by and between the Town of Hampton, a municipal corporation of the State of New Hampshire, with a principal place of business at 100 Winnacunnet Road, Hampton, New Hampshire, and James B. Sullivan of 14 Longwood Drive, Hampton, New Hampshire, hereinafter called Deputy Town Manager or Employee. This agreement includes two parts; Part A outlines the Terms of employment as Deputy Town Manager, Part B outlines the terms and agreements of the parties to immediately appoint the employee as Town Manager upon the earlier of Town Manager Fred Welch resigning or terminating his position as Town Manager, or on July 1, 2020.

Part A: Deputy Town Manager RECITALS

1. General

Commencing the first day of November 2017, the above named James B. Sullivan (Employee) shall continue in the employment of the Town of Hampton as the Deputy Town Manager, having commenced that position on November 1, 2014, pursuant to the provisions of RSA Chapter 37, and having all of the powers and duties set forth therein. His employment with the Town of Hampton has been continuous and unbroken since January 2, 1986 as a full-time employee, and this Employment Agreement is intended to continue employment with the Town as provided in this agreement. He continues to be considered an exempt, Part-time not to exceed 32 hour per week employee.

2. Term and Employment

Subject to the terms hereinafter as to Severance and Voluntary Resignation, the Deputy Town Manager agrees to remain in the employment of the Town of Hampton as Deputy Town Manager or Town Manager until June 30, 2022 under the terms of sections A and B of this agreement. The Deputy Town Manager shall serve in that part time position with the benefits

100 Winnacunnet Road, Hampton, New Hampshire 03842 Tel. 603-926-6766 Fax 603-926-6853

outlined in Part A of this agreement until Town Manager Fred Welch vacates his position by voluntary resignation or termination at which time the Deputy Town Manager shall immediately be Appointed to the Position of Town Manager as provided in Section B of this agreement,. The Town of Hampton Board of Selectmen (The Board) may renew this agreement (contract) in its discretion. The employee may be appointed, subject to the approval of the Board, to regional or state boards, committees or commissions provided there is no incompatibility with his duties under RSA Chapter 37 and any additional assigned responsibilities.

3. Salary

Subject to the terms and conditions of this agreement, and while engaged in and performing his specified duties for the Town, the Deputy Town Manager shall be paid an annual salary as follows:

$86,112 gross, payable in weekly installments of $1,656.00 gross each, with such increases to such sum as the Town of Hampton Board of Selectmen shall vote to pay the Deputy Town Manager following his performance evaluation at the end of the twelve (12) months as set out in Paragraph 8 below for each successive yearly period.

Benefits

The position of Deputy Town Manager is a part-time position working, not to exceed 32 hours per week and receives no benefits except for the pro-rata leave time, holidays and term life insurance provided by the Town. The Employee may adjust his hours and days of work, as he deems necessary, to meet the demands of the position. The not to exceed 32 hours per week work provision is intended to remain in compliance with RSA 100-A. All prior and remaining accumulated leave on the record shall be retained by the Employee. All statutory coverages required by law such as Workers' Compensation shall continue to be funded by the Town. This Employee is exempt from participation in the NH Retirement System in accordance with law.

4. Termination

Prior to the expiration of this agreement the Deputy Town Manager may be terminated on the occurrence of any one of the following events:

A. Mutual agreement of the parties or voluntary resignation of the Assistant Town Manager and Human Resources Director, who shall provide thirty (30) days prior written notice of his resignation prior to the effective date of said resignation.

B. Death or disability of the Deputy Town Manager. Disability shall be determined by a neutral professional retained by the Town of Hampton Board of Selectmen to determine whether the Employee is disabled and unable to perform his duties.

C. This agreement may be terminated by the Town of Hampton for cause defined as follows:

(1) The conviction of the Employee for a felony or for a crime involving moral turpitude in any jurisdiction.

(2) Conduct of the Employee which brings disgrace, scandal or disrepute to the Town of Hampton.

(3) Failure of the Employee to comply with any term or condition of this Agreement.

(4) The failure to carry out any lawful voted order or policy directive of the Board of Selectmen.

(5) The failure to carry out, through malfeasance, misfeasance, or nonfeasance, the responsibilities of the office of Deputy Town Manager or the office of Town Manager.

6. Severance

Should the Town of Hampton desire to terminate this Agreement for any reason for cause other than those delineated in Section 5 above, or should the Town of Hampton and the Deputy Town Manager agree to terminate this Agreement, then the Deputy Town Manager shall be entitled to severance benefits, which shall consist of a lump sum payment of 12 months gross salary. Additionally, any severance benefits shall include a lump sum cash payment of any unused leave and Holidays.

7. Severance Constitutes Release

The acceptance by the Employee of the severance benefits provided under this Agreement shall constitute a full and complete release of any rights, claims, or causes of action, whether in law, equity, or otherwise that the Employee may have against the Town, its officers, agents, elected and appointed officials, or employees, and the Employee upon acceptance of such benefits shall sign a separate comprehensive release.

8. Performance Evaluation

A. The Town Manager shall review and evaluate the performance of the Employee every twelve months. The goals and objectives may be added to or deleted from as the Manager may from time to time determine in consultation with the Employee. Further, The Town Manager shall provide the Employee with a summary in writing of the findings of the Manager and provide the Employee adequate opportunity for the Employee to discuss the evaluation with the Manager.

B. On the occasion of the evaluation of the Employee, the Manager shall define such goals and performance objectives as may be determined necessary to the proper operation of the Town and in attainment of the Town's, the Board's and the Manager's objectives, and shall further establish a relative priority among various goals and objectives in order to reduce the said goals and objectives to writing. Goals and objectives are to be attainable within the time limitations as specified, and within the annual operating budget and appropriations provided, subject to compliance with provisions of applicable law.

9. Automobile

The Employee shall use his personal automobile for Town business purposes, for which he shall be reimbursed at the prevailing mileage rate prescribed by the United States Internal Revenue Service.

10. Non-Salary Compensation

The Employee shall be eligible and subject to Chapter 3 Compensation of the Town of Hampton Personnel Policy in effect January 1, 2004, except that the Employee shall not be considered an employee at will and may be removed or disciplined only for just cause pursuant to RSA 37:3 and the terms of the Town's Personnel Policy in effect as of January 1, 2004. The Employee will be considered a Department Head as used in said Policy as of January 1, 2004. Areas covered are Holidays, Annual Leave, Workers' Compensation Benefits, Leaves of Absence; and Safety.

11. Disability Insurance and Benefits

The Employee at his expense may purchase disability insurance at the group rate offered to Town employees.

12. Dues, Subscriptions, and General Expenses

The Town of Hampton agrees to budget and pay for professional dues and subscriptions for the Employee necessary to his continuation and full participation in organizations which he determines necessary and desirable for his continued professional participation, growth, and advancement and for the good of the Town of Hampton. Other expenses incurred in connection with Town business shall be reimbursed pursuant to the Town of Hampton's Policies and Procedures. The Board agrees to budget for and pay all expenses for the employee to be a member of the ICMA (International City Managers Association) and attend the annual conference (travel, meals, lodging, tuition, etc.).

Indemnification

The Town of Hampton agrees to indemnify and hold harmless the Employee from any and all losses, including reasonable attorney's fees and other expenses of defense, in connection with any claim, demand, action or suit, or judgment arising out of any act or omission of the Employee, if at the time of said act or omission, the Employee was acting within the scope of his employment and without malice or bad faith. This paragraph implements the provisions of RSA 31:105 and 31:106.

13. Bonding

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

14. Severability

If any provision of this Agreement is found to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable so long as the purpose of this Employment Agreement can be achieved in the absence of the invalid or unenforceable permission. The parties agree to attempt to renegotiate a contractual provision substituting for the provision of this Agreement found to be invalid or unenforceable.

15. Notices

Notices pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage paid, certified or registered mail, registered tracking service, addressed as follows:

1. Town: Town of Hampton

Office of the Town Manager

100 Winnacunnet Road
Hampton, NH 03842

2. Employee: James B. Sullivan

Deputy Town Manager

100 Winnacunnet Road

Hampton, NH 03842

And

James B. Sullivan
14 Longwood Drive
Hampton, NH 03842

Alternately, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial practice or may be hand-delivered to the recipient. Notices shall be deemed to have been given as of the date of the personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

17. Governing Law and Venue

This Employment Agreement shall be governed by the laws of the State of New Hampshire and venue shall be lodged in the state courts of the State of New Hampshire, and each party to this Agreement hereby irrevocably assents to the exclusive jurisdiction and venue of such courts.

18. Merger

The text of this written Agreement constitutes the entire understanding between the parties with respect to the employment of James B. Sullivan as the Deputy Town Manager of the Town of Hampton, and may be modified only in writing signed by the parties hereto.

Part B

EMPLOYMENT AGREEMENT

TOWN MANAGER

This Employment Agreement ("The Agreement") effective as of (the date of Fred Welch vacating his positon as Town Manager) by and between the Town of Hampton, a municipal corporation of the State of New Hampshire, with a principal place of business at 100 Winnacunnet Road, Hampton, New Hampshire ("the Town"), and James B. Sullivan of 14 Longwood Drive Hampton, New Hampshire ("the Employee")

RECITALS

1. General

The above named Employee shall immediately be appointed to the office of Town Manager, upon Fred Welch vacating his position as Town Manager by resignation /termination, but not later than on July 1, 2020, pursuant to the provisions of New Hampshire Revised Statutes Annotated (RSA), Chapter 37, and having all powers and duties as set forth herein in addition to said Chapter 37 and other laws related thereto until June 30, 2022. His employment with the Town has been continuous since January 2, 1986 throughout the entire term of this Agreement, the Employee will be considered a salaried, full time Employee. Further, upon initial hiring or appointment the Board of Selectman shall vote to exempt this position/appointment from the New Hampshire Retirement System under the provisions of RSA 100-A:22 and any future amendments.

2. Term and Exclusive Employment

Subject to the terms hereinafter as to Severance and Voluntary Resignation, the Manager (Employee) agrees to remain in the exclusive employment of the Town of Hampton until June 30, 2022, provided that the Town of Hampton Board of Selectmen may renew the contract (Employment Agreement) in its discretion., and to have no other employment during that period except, pursuant to RSA 37:9, justice of the peace or notary public and may be appointed, subject to the approval of the Board of Selectmen, to regional or state boards, committees, or commissions provided there is no incomparability with his duties under RSA Chapter 37.

3. Salary

Subject to the terms and conditions of this Contract (Agreement), and while engaged in and performing his specified duties for the Town, the Manager (Employee) shall be paid an annual salary as follows: _TBD__ gross, payable in weekly installments of __TBD__ gross each week through **_2022____** and such increased sums as the Town of Hampton Board of Selectmen shall vote to pay the Manager (Employee) following his performance evaluation at the end of twelve (12) months, that shall end on December 31 of each year, as set forth in Paragraph 7 below, for the years of this agreement ____TBD_____ any increases in compensation shall become effective April 1, for each year. The starting salary shall be the same amount as Town Manager Fred Welch was earning at the time of his vacating the position (at the time of this signing 116,368.72 annually)

4. Termination

Prior the expiration of this Contract (Agreement) the Manager may be terminated on the occurrence of any of the following events:

A. Mutual Agreement of the parties or voluntary resignation of the Employee (Manager), who shall provide 30 calendar days prior written notice of his resignation prior to the effective date of said resignation.

B. Death, or disability of the Manager. Disability shall be determined by a neutral professional retained by the Town of Hampton Board of Selectmen to determine whether the Manager (Employee) is disabled.

C. This Contract (Agreement) may be terminated by the Town of Hampton Board of Selectmen for cause defined as follows in accordance with the removal procedures contained in RSA 37:

1. The conviction of the Manager (Employee) for a felony or a crime of moral turpitude in any jurisdiction by a Court of component jurisdiction.
2. Conduct of the Manager (Employee) which brings disgrace, scandal, or disgrace to the Town of Hampton, termination to be in accordance with the provisions of RSA 37.
3. Failure of the Manager (Employee) to comply with any term or condition of this Agreement. Termination to be in accordance with the provisions of RSA 37.
4. The failure to carry out any lawful voted order or policy directive of the Board of Selectmen. Termination to be in accordance with the provisions of RSA 37.
5. The failure to carry out, through malfeasance, misfeasance, or nonfeasance, the responsibilities of the office of Town Manager. Termination to be in accordance with the provisions of RSA 37.

6. Severance

Should the Town of Hampton Board of Selectmen desire to terminate this Contract (Agreement) for any reason other than those delineated in Section 4 above, or should the Town of Hampton Board of Selectmen and the Manager (Employee) agree to terminate this Contract (Agreement), then the Manager (Employee) shall be entitled to

severance benefits. Which shall consist of a lump sum payment of 12 month's gross salary, calculated at the time of severance with taxes deducted on the basis of weekly salary for the number of weeks for the service period used to calculate the lump sum severance. Additionally, severance benefits shall include a lump sum cash payment for any unused leave (annual, sick or holidays). Further severance benefits shall include a payment by the Town to the 457(b) Plan covering the Manager (Employee) pursuant to Section 11 herein for the same period of time for which the lump sum salary benefit is paid. The Town shall continue health insurance benefits pursuant to Section 9 herein to cover the same period of time for which the lump sum salary benefit is paid. In calculating any lump sum payment for salaries or leave shall be based upon weekly payment schedules for taxes. Payments for health insurance (if any) shall be retained by the Town who shall continue the Manager (Employee) on the Town's health insurance as an Employee for the full severance period for this benefit that includes dental insurance. The Town shall deduct from the severance a sum equal to any disability insurance voluntarily carried by the Manager (Employee) on the same terms as if the Manager (Employee) was still employed and shall pay out such deduction to the insurance carrier for the number of months in the severance as a form of continued employment in the same manner as health and dental insurance. In the case of the death of the Manager (Employee) during severance all remaining benefits shall be paid in a lump sum to the Manager's (Employees) beneficiaries.

7. **Severance Constitutes Release**

The acceptance by the Manager of the severance benefits provided under this Contract (Agreement) shall constitute a full and complete release of any other rights, claims, or causes of action, whether in law, equity, or otherwise that the Manager (Employee) may have against the Town, its officers, agents, elected and appointed officials, or employees, and the Manager (Employee) upon acceptance of such benefits and severance in accordance with this Agreement and its provisions shall sign a separate comprehensive release.

8. **Performance Evaluation**

A. The Board of Selectmen shall review and evaluate the performance of the Manager (Employee) every twelve months. The goals and objectives may be added to or deleted from as the Board of Selectmen may from time to time determine in consultation with the Manager (Employee). Further, the Board of Selectmen shall provide the Manager (Employee) with a summary written agreement of the findings of the Board and provide adequate opportunity for the Manager (Employee) to discuss the evaluation with the Board.

B. On the occasion of the evaluation of the Manager (Employee), the Board and the Manager shall define such goals and performance objectives as they may determine

necessary to the proper operation of the Town and in the attainment of the Board's policy objectives; and shall further establish a relative priority among those various goals and objectives in order to reduce the said goals and objectives to writing. Goals and objectives are to be attainable within the time limitations as specified, and within the annual operating budget and appropriations provided, subject to compliance with the provisions of applicable laws.

9. Automobile

The Manager (Employee) shall use his personal automobile for Town business purposes, for which he shall be reimbursed at the prevailing mileage rate prescribed by the United States Internal Revenue Service.

10. Non-Salary Compensation

The Manager (Employee) shall be eligible and subject to Chapter 3 COMPENSATION of the Town of Hampton Personnel Policy effective January 1, 2004, except that the Manager (Employee) shall not be an employee at will and may be removed or disciplined only for just cause pursuant to RSA 37:3. The Manager (Employee) is a Department Head as used in said Policy as of January 1, 2004. Areas covered are: Holidays; Annual Leave; Workers' Compensation benefits; Leaves of Absence; Life Insurance; Health Insurance; Dental Insurance, Tuition Reimbursement; and Safety.

11. **Disability Insurance and Benefits**

The Manager (Employee) at his expense may purchase disability insurance at the group rate offered to Town Employees.

12. **457(b) Plan Contribution**

In recognition of the Manager's (Employee's) position being exempt from coverage under the State of New Hampshire Retirement System, the Town of Hampton agrees that so long as the Manager (Employee) remains in the Town's employ under the terms of this Contract (Agreement), the Town of Hampton shall contribute on behalf of the Manager (Employee) to his 457(b) Plan established under State and Federal Law, on a weekly basis, a sum equal to 8.75% of the Manager's (Employee's) gross weekly salary.

13. Dues, Subscriptions, and General Expenses

The Town of Hampton agrees to budget and pay for professional dues and subscriptions for the Manager (Employee) necessary for his continuation and full participation in organizations which he determines necessary and desirable for his continued professional participation, growth, and advancement and for the good of the Town of Hampton. The Town agrees to budget full expenses and for the employee to attend the annual ICMA (International City Managers Association) and NHMA (New Hampshire Municipal Association) annual conference including tuition, lodging, travel and meals and other expenses. Other expenses incurred in connection with Town business shall be reimbursed pursuant to the Town of Hampton's Policies and Procedures.

14. **Indemnification**

The Town of Hampton agrees and does indemnify and hold harmless the Manager (Employee) from any and all losses, including reasonable attorney's fees and other expenses of defense, in connection with any claim, demand, action or suit, or judgement arising out of any act or omission of the Manager, if at the time of said act or omission, the Manager was acting within the scope of his employment and without malice or bad faith. This paragraph implements the provisions of New Hampshire Revised Statutes Annotated (RSA) 31:105 and 31:106.

15. **Bonding**

The Town of Hampton shall bear the full cost of any fidelity or other bonds required of the Manager (Employee) under any law, administrative regulation or ordinance.

16. **Severability**

If any provision of this Contract (Agreement) is found to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable, so long as the purposes of this Contract (Employment Agreement) can be achieved in the absence of the invalid or unenforceable provision of this Contract (Agreement). The parties agree to attempt to renegotiate a contractual provision substituting for the provision of this Contract (Agreement found to be invalid and unenforceable.

17. **Notices**

Notices pursuant to the Contract (Agreement) shall be given by deposit in the custody of the United States Postal Service, postage prepaid, certified or registered mail, registered tracking service, return receipt required, addressed as follows:

1. **Town:** Chairman, Board of Selectmen, Town Offices
100 Winnacunnet Road
Hampton, New Hampshire 03842

2. **Deputy Manager / Manager (Employee):**
James B. Sullivan,
Town Offices
100 Winnacunnet Road
Hampton, New Hampshire 03842

and

James B. Sullivan
14 Longwood Drive
Hampton, NH 03842

Alternatively, notices required pursuant to this Contract (Agreement) may be personally served in the same manner as is applicable to civil judicial practice or may be hand-delivered to the percipient. Notice shall be deemed to have been given as of the date of the personal service or as of the date of the return receipt of such written notice from the United States Postal Service.

18. Governing Law and Venue

This Contract (Employment Agreement) shall be governed by the laws of the State of New Hampshire and venue shall be lodged in the state courts of New Hampshire, and each party to this Contract (Agreement) hereby irrevocable assents to the exclusive jurisdiction and venue of such courts.

19. Merger

The text of this written Contract (Employment Agreement) constitutes the entire understanding between the parties with respect to the employment of James B. Sullivan as the Town Manager of the Town of Hampton, and may be modified only in writing signed by the parties hereto

Dated at Hampton, New Hampshire this 29th day of November 2017

EMPLOYEE

Witness

James B. Sullivan, Deputy Town Manager

Town of Hampton, Board of Selectmen

Witness

James A. Waddell, Chairman

Witness

Regina M. Barnes, Vice Chairman

Witness

Richard P. Griffin, Selectman

Witness

Russell D. Bridle, Selectman

Witness

Philip W. Bean, Selectman