

**FIRST AMENDMENT TO TULARE LOCAL
HEALTHCARE DISTRICT EMPLOYMENT AGREEMENT**

This First Amendment to Tulare Local Healthcare District Employment Agreement ("First Amendment") is made and entered into at Tulare County, California, by and between Sandra Ormonde (the "Employee") and Tulare Local Healthcare District ("TLHD") (Employee and TLHD shall be referred to herein as a "Party" or the "Parties").

WHEREAS, Employee and TLHD entered into the Tulare Local Healthcare District Employment Agreement date March 30, 2019, ("Agreement") which Agreement is incorporated herein by reference and made a part hereof;

WHEREAS, each party desires that the employment relationship between Employee and TLHD continue unchanged, except as set forth below;

WHEREAS, neither party provided notice pursuant to the Agreement to terminate the Agreement;

WHEREAS, based on discussions between Employee and TLHD, the parties desire to amend the Agreement in accordance with the terms and conditions set forth in this First Amendment;

NOW, THEREFORE, in consideration of the terms, covenants, and conditions set forth herein, and for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, it is mutually agreed by and between the parties as follows:

RECITALS

1. **Recitals:** The recitals hereinabove set forth are by virtue of this reference incorporated herein as though the same were fully set forth at this point.
2. **Definitions:** All of the terms used, but not defined in this First Amendment shall have the same meaning as described to them in the Agreement.
3. **Terms of Employment:**
 - a. Paragraph 1.b.ii of the Agreement is hereby amended to read as follows:

"ii. Create any full-time/permanent district employment positions."
 - b. Paragraph 1.b.v of the Agreement is hereby amended to read as follows:

"v. Obligate TLHD to any single expenditure exceeding limits set in TLHD Bylaws, or as otherwise authorized by TLHD Board of Directors."

4. **Compensation of Benefits:**

a. Paragraph 2.a. of the Agreement is hereby amended to read as follows:

"a. **Base Salary.** Employee will be working in a bona fide executive capacity and is therefore classified as exempt under both State and Federal law. TLHD shall pay Employee a base salary at the gross payment annual rate of \$115,500.00, less applicable withholdings under Federal, State and Local law, payable in bi-weekly installments in accordance with TLHD's usual payroll practices which may be subject to change from time to time."

b. Paragraph 2.e. of the Agreement is hereby amended to read as follows:

"e. **Paid Sick Leave.** Employee is entitled to accrue and use three days (24 hours) of paid sick leave each year in compliance with Labor Code section 245, et seq., in accordance with TLHD's policies thereon. Any banked and unused sick leave may, subject to any limitations set forth in Labor Code section 245, et seq., be accumulated and carried to successive employment years without limitation and total number of sick leave hours accrued."

5. **Indemnification:**

a. **Actions Other Than By the District:** TLHD shall indemnify, defend, and hold harmless Employee from any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter collectively, "Proceeding"), by reason of a fact that Employee as a director, officer, employee, or agent of TLHD, or is or was serving at the request of TLHD as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) judgments, fines and amounts paid in settlement actually and reasonably incurred by Employee in connection with such Proceeding in so far as any such Proceeding is based upon acts or omissions by Employee within the scope and commission of his or her employment, and Employee believed that his or her conduct was not unlawful. Willful violations of the law or acts outside the scope of Employee's employment shall be investigated as to whether indemnification will be provided on a case by case basis, as determined in good faith by the Board in its sole discretion. Determination of any Proceeding, any judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Employee acted outside the scope of her employment or that she believed her conduct was

unlawful. Notwithstanding the foregoing, the indemnification provided under this Section shall not be applicable to any Proceeding or employment action (e.g., termination) initiated by TLHD against the Employee with respect to the Agreement, as amended, or the Employee's employment by TLHD.

- b. **Actions by the District:** TLHD shall indemnify, defend, and hold harmless Employee if Employee is made a party to any Proceeding on the basis of or by reason and effect that Employee is or was a director, officer, employee, or agent of TLHD or is or was serving at the request of TLHD as a director, officer, employee or agent in another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by Employee in connection with the defense or settlement of such Proceeding in so far as any such Proceeding is based upon acts or omissions by Employee within the scope and commission of his or her employment, and Employee believed that his or her conduct was not unlawful. Notwithstanding the foregoing, the indemnification provided under this Section shall not be applicable to any Proceeding or employment action (e.g., termination) initiated by TLHD against the Employee with respect to the Agreement, as amended, or the Employee's employment by TLHD.
- c. **Duty to Defend.** TLHD, at its sole cost and expense, shall defend Employee against any claim, demand, suit, cause of action or proceeding covered by the indemnities set forth in Section 5.a and 5.b of this First Amendment, as the case may be, with counsel of TLHD's choosing or as appointed by TLHD's insurance company. TLHD shall have the right to control the defense of any claim, demand, suit, cause of action, or proceeding, unless a conflict of interest exists, without prejudice to its right to contest thereafter whether such was within the scope of the indemnities contained in Sections 5.a or 5.b. Employee shall have the right, but not the obligation, to participate in the defense of any such claim, demand, suit, cause of action or proceeding. Employee shall have the right at any time, by notice to TLHD, to assume exclusive control of the defense of any claim, demand, suit, cause of action or proceeding insofar as Employee is concerned, at the sole cost and expense of TLHD (subject to the right of TLHD to later contest whether such claim, demand, suit, cause of action or proceeding is within the scope of the indemnities contained in Section 5.a or 5.b), if (a) TLHD fails to defend diligently such claim, demand, suit, cause of action or proceeding, or (b) there is a conflict in the interests of TLHD and Employee with respect to such claim, demand, suit, cause of action or proceeding. TLHD shall pay all reasonable costs that may be incurred by Employee in such defense or in enforcing the indemnity set forth in Sections 5.a or 5.b, as the case may be, including reasonable attorneys' fees, within ten (10) days after request

thereof. Notwithstanding the foregoing, Employee shall control the defense of any claim, demand, suit, cause of action, or proceeding initiated or otherwise claimed by TLHD against the Employee.

6. **D&O Insurance:** TLHD shall purchase and provide Employee as a named insured with directors and officers indemnification insurance coverage ("D&O") in an amount and scope that is customary for a company of TLHD's size and nature, in accordance with the terms of TLHD's policies as in effect from time to time, which policies may be subject to change during the Agreement term, provided that such changes are genuinely applicable to similarly situated officers. D&O insurance coverage shall be for a period beginning from the employment day of May 1, 2019 and shall be kept in place for a period of not less than six (6) years after the termination or expiration of Employee's employment with TLHD. In no event shall TLHD be required to expend, pursuant to this section, more than an amount per year equal to 200% of the annual premiums paid by TLHD as of the effective date for such insurance, provided, however, that if the cost exceeds such limit, TLHD shall use its reasonable efforts to obtain as such comparable insurance as is available in the insurance amount.

7. **Survivability:** The agreements contained in Section 5 and 6 of this First Amendment shall survive the termination or expiration of this agreement for any reason.

8. **Counterparts:** This first amendment and all documents in relation thereto may be executed in multiple counterparts (including copies sent to a party by facsimile or other electronic transmission, including, but not limited to, pdf attachment) each of which shall be deemed an original, all of which together, shall constitute one in the same instrument.


9. **Amendment.** The agreement in this first amendment cannot be amended or altered except by written instrument executed by TLHD and Employee. The parties agree that except as otherwise set forth, all terms, covenants and conditions in this agreement shall remain in full force and effect.

10. **Advisement and Acknowledgment.** Each party expressly acknowledges that they have had sufficient opportunity to consult with and receive the advice of legal counsel of their own choosing concerning all portions of this First Amendment. Each party acknowledges that they have freely and voluntarily executed this agreement. The parties further agree that any rule that provides that an ambiguity within a document will be interpreted against the party drafting such document shall not apply.

11. **First Amendment Date:** The date on which the last of the parties hereto executes this First Amendment as such date is shown by the signature of the parties below, shall be the date of this First Amendment agreement and shall be referred to as the "First Amendment Date."

IN WITNESS THEREOF, the parties hereto have executed this first amendment on the date specified below their respective signatures.


EMPLOYEE:



SANDRA ORMONDE

Date: 6/11/2020

TULARE LOCAL HEALTHCARE DISTRICT:



By: KEVIN NORTHCRAFT, President

Date: _____