

EMPLOYMENT AGREEMENT

This Agreement, made and entered into this the 1st day of July, 2014, by and between the County of Watauga, North Carolina, a body corporate and politic (hereinafter "the County") and Deron Thomas Geouque, a citizen and resident of Watauga County, North Carolina (hereinafter "Geouque") shall be for the purpose for stating the terms and conditions of the employment of Geouque by the County.

WHEREAS, the County has adopted the county manager form of government, pursuant to NCGS 153A-81; and

WHEREAS, the County wishes to employ Geouque as County Manager of Watauga County, North Carolina; and

WHEREAS, Geouque is willing to accept employment as County Manager of Watauga County, North Carolina.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the County and Geouque agree as follows:

SECTION 1. EMPLOYMENT AND DUTIES

The County agrees to and does hereby employ Geouque as manager of Watauga County, to perform the functions and duties of the County Manager as specified by the North Carolina General Statutes, as well as to perform all additional duties assigned to him, from time to time, by the County as may be legal and within the normal scope of his employment.

Geouque shall not engage in consulting, counseling, or other non-County business without the prior approval of the Watauga County Board of Commissioners during his employment with the County. The Board of Commissioners shall regularly evaluate Geouque's performance and may, at its sole discretion, conduct an annual written evaluation.

SECTION 2. TERM

The term and duration of this Agreement shall be from July 1, 2014, through June 30, 2019, and shall continue thereafter on the same terms and conditions on a year-to-year basis unless either party serves written notice on the other of non-renewal or intent to renegotiate the terms of this agreement. Notice shall be given at least thirty (30) days before the expiration of the term.

Geouque shall serve at the pleasure of the Board of Commissioners, and nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Board to terminate the services of Geouque at any time, subject only to the provisions set forth herein and Section 3 of this Agreement. Additionally, nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Geouque to resign at any time from his position with the County subject only to the provision set forth herein and Section 3 of this Agreement.

SECTION 3. SEVERANCE PAY

In the event Geouque is terminated by the County without just cause before expiration of the aforesaid term of employment and during such time that Geouque is willing and able to perform his duties under this Agreement, then, in that event, the County agrees to pay Geouque a lump sum cash payment equal to six (6) month's salary and the value of his benefits.

At any time during the term of this Agreement, if the County reduces Geouque's salary or his other financial benefits that are generally available to all County Employees, in a greater percentage than an applicable across-the-board reduction for all Employees of the County, or in the event the County refuses, following written notice, to comply within a reasonable time with any other provision benefitting Geouque herein, then, and in any of those events, Geouque may, at his option, be deemed to be "terminated" at the date of such reduction or such refusal to comply within the meaning and context of this severance pay provision, and in either event, severance pay will be paid as set forth above.

In the event Geouque voluntarily resigns his position with the County before expiration of the aforesaid term of his employment, then Geouque shall give at least a thirty (30) day notice unless the parties otherwise agree and there will be no severance pay due.

In the event Geouque is terminated for cause, the County shall have no obligation to pay Geouque any severance pay described above. For purposes of this Agreement, "cause" is defined as (A) an indictment for or conviction of (i) any illegal act involving personal gain to him, (ii) a felony, or (iii) a misdemeanor which involves moral turpitude; (B) intentional malfeasance in the performance of his duties as county manager, or (C) gross negligence in the performance of his duties as county manager. For purposes of this contract, gross negligence means acts which Geouque commits or omits which violate a duty imposed by law or actions which are done with conscious and intentional disregard or indifference to the right and obligations of the County. Mere negligence or differences in political philosophy shall be insufficient to demonstrate termination for cause.

SECTION 4. COMPENSATION

The County agrees to pay Geouque for his services rendered pursuant hereto at an annual salary of \$111,427 to be disbursed through the normal payroll system. At no time shall the salary be less than the original starting salary.

The County agrees to increase said salary and/or other benefits of Geouque in such amounts and to such extent the County may determine desirable or appropriate on the basis of the annual salary review of Geouque made at said time agreed upon by the County and Geouque.

SECTION 5. BENEFITS

Except as otherwise provided in this Agreement, Geouque shall be entitled to the same fringe benefits provided to all County employees. Geouque shall receive a car allowance in the amount of \$400 per month. Geouque shall receive no reimbursement for mileage in or out of County,

unless specifically approved on a case-by-case basis for professional development travel or official county business. However, the County shall reimburse Geouque at the county standard mileage rate for any business use of his vehicle beyond a 50 mile radius of Boone, North Carolina.

SECTION 6. HOURS OF WORK

Geouque shall work an average of forty hours per week during the term of his employment and shall maintain adequate records to substantiate his time, whether it is carrying out regular or special duties. It is recognized that Geouque must devote a great deal of time outside the normal office hours to business of the County and, to that end, Geouque will be allowed, within reason, to take time off as he shall deem appropriate during said normal office hours on a schedule least disruptive to the operations of the County.

SECTION 7. BUSINESS EXPENSES

Actual and necessary expenses incurred by Geouque in the discharge of official duties or in the performance of functions authorized by the County shall be reimbursed upon submission of receipts and reports of expenditures with the exception of mileage reimbursement due to the provision of a car allowance as set forth in Section 5.

SECTION 8. PROFESSIONAL DEVELOPMENT AND MEETINGS

Geouque may attend the annual conferences or meeting of the North Carolina City and County Management Association, North Carolina Association of County Commissioners, and the Appalachian State University Local Government Alumni and any other official meetings and conferences approved by the County, subject to budget limitations. All actual and reasonable travel and living expenses necessary to permit Geouque to attend such conferences or meetings shall be paid by the County, consistent with Section 5, above.

SECTION 9. MEMBERSHIP AND DUES

County agrees to budget and pay for the professional dues and subscriptions of Geouque necessary for his continuation in the International City and County Managers' Association, North Carolina City and County Management Association and the Appalachian State University Local Government Alumni and any other memberships and dues approved by the County.

County also agrees to budget and pay for travel and subsistence expenses of Geouque for short courses, institutes and seminars that are necessary for his professional development and with the approval by the County.

SECTION 10. BONDING

County shall bear the full cost of any fidelity or other bonds required of Geouque under any law or ordinance.

SECTION 11. OTHER TERMS AND CONDITIONS OF EMPLOYMENT

County, in consultation with Geouque, shall fix any other terms and conditions of employment relating to the performance of Geouque as it may determine reasonable from time to time, provided such terms and conditions are not inconsistent with or in conflict with provisions of this Agreement, or any applicable law.

SECTION 12. INDEMNIFICATION

The County shall indemnify Geouque against expenses (including attorney's fees) and amounts paid in settlement actually and reasonably incurred by him in connection with the defense of any civil, criminal or administrative action, suit or proceeding in which he is made a party or with which he is threatened, by reason of being or because of any act as County Manager within the course and scope of his duties and employment hereunder if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the County, and with respect to any criminal action or proceeding, if he had no reasonable cause to believe his conduct was unlawful.

SECTION 13. AMENDMENT

This agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and may not be amended, renewed or extended except by an instrument in writing, duly adopted and executed by the parties.

IN WITNESS WHEREOF, the Watauga County Board of Commissioners has caused this Agreement to be signed and executed on its behalf by its Chairman and duly attested by its Clerk to the Board, and Geouque has signed and executed this Agreement, all in duplicate originals, the day and year first written above.

 (SEAL)

Nathan A. Miller, Chairman,
Watauga County Board of Commissioners

 (SEAL)

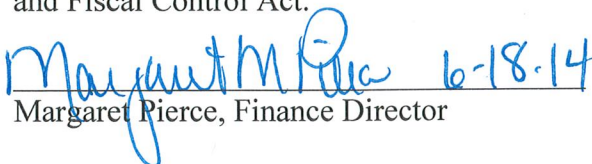
Deron Thomas Geouque

ATTEST:



Anita J. Fogle, Clerk

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

 6-18-14

Margaret Pierce, Finance Director