

EMPLOYMENT AGREEMENT

THIS AGREEMENT, made and entered into this 19th day of December, 2005 by and between the VILLAGE OF MUNDELEIN, State of Illinois, a municipal corporation, hereinafter called "EMPLOYER" or "VILLAGE" and JOHN A. LOBAITO, 803 Silver Glen Road, McHenry, Illinois 60050, hereinafter called "EMPLOYEE", both of whom agree as follows:

WITNESSETH:

WHEREAS, EMPLOYER desires to employ the services of JOHN A. LOBAITO as VILLAGE ADMINISTRATOR of the Village of Mundelein; and

WHEREAS, EMPLOYEE desires to accept employment as VILLAGE ADMINISTRATOR of the Village of Mundelein, County of Lake and State of Illinois; and

WHEREAS, the EMPLOYEE represents that he is fully qualified and able to perform the duties of the VILLAGE ADMINISTRATOR; and

WHEREAS, the EMPLOYEE acknowledges that he will faithfully, timely and diligently perform the responsibilities of VILLAGE ADMINISTRATOR; and

WHEREAS, the VILLAGE OF MUNDELEIN agrees to employ JOHN A. LOBAITO under the additional terms and conditions as described herein; and.

WHEREAS, the Village Board seeks to provide certain benefits, establish certain conditions of employment and to set working conditions of said EMPLOYER; and

WHEREAS, the Village Board seeks to (1) secure and retain the services of EMPLOYEE and to provide inducement for him to remain in such employment, and (2) to make possible full work productivity by assuring EMPLOYEE'S morale and peace of mind with respect to future security; and

WHEREAS, EMPLOYEE desires to accept employment as VILLAGE ADMINISTRATOR of said Village of Mundelein.

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

Section I
Agreement

The representations and commitments of the EMPLOYEE as outlined in the preamble are material inducements to the VILLAGE to enter into this Agreement. The VILLAGE OF MUNDELEIN has relied on the EMPLOYEE'S representations in entering into this Agreement. The language of the preamble clauses is expressly incorporated into this Agreement and the terms of this Agreement shall supercede VILLAGE Code Section 2.10.030, relating to removal of VILLAGE Administrator.

Section II
Terms of Agreement

- A. This Agreement shall remain in full force and effect until December 19, 2006.
- B. Nothing in this Agreement shall prevent, limit or otherwise interfere with the rights of the Mayor and Village Board to terminate the employment of the EMPLOYEE at any time subject to the applicable law and the provisions set forth herein. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the EMPLOYEE to resign at any time from his position as VILLAGE ADMINISTRATOR, subject only to the provisions herein.
- C. The employment offered to EMPLOYEE by the Village shall be the EMPLOYEE'S exclusive employment, and the EMPLOYEE shall devote his full energies and efforts to the performance of his duties. EMPLOYEE agrees to remain in the exclusive employ of EMPLOYER while this Agreement is in effect and neither to accept other employment nor to become employed by any other EMPLOYER during the term hereof. Residency within the VILLAGE shall not be required and the EMPLOYEE'S home in McHenry, Illinois shall be considered within the "area" of the VILLAGE, as referenced in VILLAGE Code Section 2.10.10.

Section III
Duties

EMPLOYEE shall be responsible for and will perform all those tasks required to manage, direct and supervise the duties assigned to the role of VILLAGE ADMINISTRATOR, including those referenced in 2.10.040 of The Municipal Code, Mundelein, Illinois.

Section IV
Hours of Work

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The EMPLOYEE acknowledges that his employment is not limited to scheduled or regular hours and that he is an "exempt employee" for purposes of the Fair Labor Standards Act. The EMPLOYEE will, in addition to the day-to-day activities, attend and conduct meetings and perform other functions as directed. The EMPLOYEE also understands that he must be on call at all times.

Section V
Salary

The Village of Mundelein agrees to pay EMPLOYEE for his services rendered pursuant hereto an annual base salary of \$140,000.00, payable in installments at the same time as other employees for the Village are paid. In addition, EMPLOYER agrees to increase said base salary and/or other benefits of EMPLOYEE in such amounts and to such extent as the Village Board may determine that it is desirable to do so on the basis of any initial or annual salary review of said EMPLOYEE made at the time of the performance evaluation specified in Section IX.

Section VI
Retirement Benefit

EMPLOYEE shall receive pension and retirement benefits afforded other non-union employees of the Village.

Section VII
Discipline

The VILLAGE may discipline the EMPLOYEE for cause. This discipline may include reprimand, suspension and termination. Prior to termination, the EMPLOYEE shall be allowed the opportunity of a pre-termination hearing. The hearing shall proceed only after EMPLOYEE has had five (5) days' written notice of the basis for termination. EMPLOYEE shall be entitled to present witnesses and documents to attempt to refute any allegations. The hearing shall be requested through the Mayor and will occur before the Mayor and Village Board.

Section VIII
Termination and Severance Pay

- A. In the event that EMPLOYEE is terminated without cause, as defined below, the EMPLOYEE shall be entitled to severance pay. In that case only, the EMPLOYER agrees to pay the EMPLOYEE six (6) full months of salary and benefits as severance pay. Said salary payments shall be made in the following manner as determined by the VILLAGE (i) six equal monthly payments paid on the first pay period of each month

(following termination) as other employees of the Village. or (ii) lump sum payment within 30 days of termination date.

- B. In the event that EMPLOYEE is terminated for cause, there shall be no severance pay. "Cause" shall include, but shall not be limited to the following:
- (1) The conviction of a crime which substantially affects his ability to continue to serve in the capacity of VILLAGE ADMINISTRATOR or, in the VILLAGE's opinion, brings the VILLAGE into disrepute; or
 - (2) Malfeasance, willful breach of the terms of this Agreement, neglect of duty, defalcation, or any other conduct in derogation of the rights of the VILLAGE as the EMPLOYER,
- C. In the event EMPLOYEE shall resign his position as VILLAGE ADMINISTRATOR, other than in circumstances wherein his removal is being sought, or is subject to being sought, pursuant to the provisions next above, then he shall not be entitled to any severance compensation. In such event, EMPLOYEE shall be entitled to recover 50 accrued sick days of compensation, plus any accrued but unused vacation days.

If EMPLOYEE should become permanently disabled or is otherwise unable to perform his duty because of sickness, accident, injury or mental incapacity for a period of four (4) successive months or ten (10) successive weeks beyond any accrued sick leave, whichever is longer, the VILLAGE shall have the option to terminate this Agreement and the termination shall be subject to the severance compensation requirement of this paragraph. Should EMPLOYEE resign from employment, he will provide as much advance written notice of the termination to the VILLAGE as is practicable, at least 30 days. The EMPLOYEE shall not be entitled to any severance pay if he resigns.

- D. In the event that the Village does not renew this contract after December 19, 2006 for reasons that are not attributable to cause and written notice has been provided to EMPLOYEE the Village shall pay the EMPLOYEE six months of salary as severance pay and shall permit the EMPLOYEE to remain on the Village's health insurance plan for six months with the premium cost to be paid by the Village, except for that portion that is customarily paid by all employees for the type and level of coverage selected by the EMPLOYEE.

Section IX *Performance Evaluation*

- A. The Mayor, with input from the Village Board, shall review and evaluate the performance of the EMPLOYEE at least once annually, on or near his employment anniversary date. Said review and evaluation shall be in accordance with specific performance and similar criteria developed jointly by EMPLOYER and EMPLOYEE.

Said criteria may be added to or deleted from as the Village Board may from time to time determine, in consultation with the EMPLOYEE.

- B. Annually, the Mayor, with input from the Village Board, and EMPLOYEE shall define such goals and performance objectives which they determine necessary for the proper operation of the Village of Mundelein, and in attainment of the Board's policy objectives and shall further establish a relative priority among those various goals and objectives, said goals and objectives to be reduced to writing by EMPLOYEE and presented to the Board within a reasonable time after their establishment. They shall generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriations provided.

Section X
Vacation and Sick Leave

The EMPLOYEE shall be credited four (4) weeks vacation per year beginning January 1, 2006. In addition, all of the Village of Mundelein personnel rules regarding the accrual, retention and use of vacation and sick leave benefits for management employees shall apply to the EMPLOYEE in the same manner as other employees of this class, with the exception that the EMPLOYEE shall have the ability to carry over up to two (2) weeks of vacation into the next calendar year for use by no later than June 30th. In the event the EMPLOYEE does not use the carried over days by June 30 they will be forfeited. Further, notwithstanding any provisions of the Village's personnel policy, the EMPLOYEE shall be entitled to 4 personal days per year.

Section XI
Insurance

The EMPLOYEE shall receive the standard medical and related insurance benefits received by all Village management employees from time to time. EMPLOYEE shall be provided full family coverage for health insurance, subject to the terms and co-pays applicable to other employees.

The EMPLOYEE shall receive the same life insurance in an amount equal to his salary.

Section XII
Retirement

EMPLOYER agrees to allow EMPLOYEE to contribute whatever portion of his base salary he shall deem appropriate to any Village-approved deferred compensation plan. The Village will deposit \$300 per month into the EMPLOYEE'S deferred compensation plan with ICMA.

Section XIII
Dues and Subscriptions

EMPLOYER agrees to budget for the professional dues and subscriptions of EMPLOYEE necessary for his continuation of participation in national, regional, state and local associations and organizations necessary and desirable for his continued professional participation, growth and advancement, as VILLAGE ADMINISTRATOR and for the good of the EMPLOYER. The total stipend shall be subject to the Village's budget process.

Section XIV
Professional Development

- A. EMPLOYER hereby agrees to budget for and to pay the travel and subsistence expenses of EMPLOYEE for professional and official travel, meetings and occasions adequate to continue the professional development of EMPLOYEE and to adequately pursue necessary official and other functions for EMPLOYER.
- B. EMPLOYER also agrees to budget and to pay for the travel and subsistence expenses for short courses, institutions and seminars that are necessary for the professional development and for the good of the EMPLOYER subject to the approval of the Mayor

EMPLOYEE shall secure approval from the Mayor prior to scheduling any extended, (more than one work day) absences from the office.

Section XV
Automobile Allowance

The EMPLOYEE is required to be on call for twenty-four (24) hours services, so therefore, must have access to a vehicle for Village business and private use. The Village shall pay the EMPLOYEE \$500 per month for an automobile allowance.

Section XVI
Other Terms and Conditions of Employment

- A. The Village Board, in consultation with the VILLAGE ADMINISTRATOR, shall fix any such other terms and conditions of employment, as it may determine from time to time, relating to the performance of EMPLOYEE, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the Village Code and personnel policies or any other law.
- B. All provisions of the Village Code, and regulations and rules of the EMPLOYER relating to retirement and pension system contributions, holidays and other fringe benefits and working conditions as they now exist or hereafter may be amended, also shall apply to EMPLOYEE as they would to other employees of the EMPLOYER, in addition to said

benefits enumerated specifically for the benefit of EMPLOYEE, unless the Village Code's provisions conflict with express provisions of this contract, in which case the provisions of this contract will prevail.

Section XVII
Notices

Notices pursuant to this Agreement shall be deposited in the custody of the United States Postal Service, postage prepaid, addressed as follows:

EMPLOYEE: John A. Lobaito
 803 Silver Glen Road
 McHenry, Illinois 60050

EMPLOYER: Mayor
 Village of Mundelein
 440 E. Hawley Street
 Mundelein, Illinois 60060

Alternatively, notices required pursuant to this Agreement may be personally served. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Services. The addresses as recited may be changed by the parties from time to time by sending notice thereof to the other party.

Section XVIII
Duty to Perform

In the event EMPLOYEE becomes aware of any facts and circumstances which would render him unable to fully perform his duties he will immediately inform the Mayor in writing. Examples of such conditions include but are not limited to loss or suspension of driving privileges or any event which would present the Village of Mundelein in an unfavorable light.

Section XIX
General Provisions

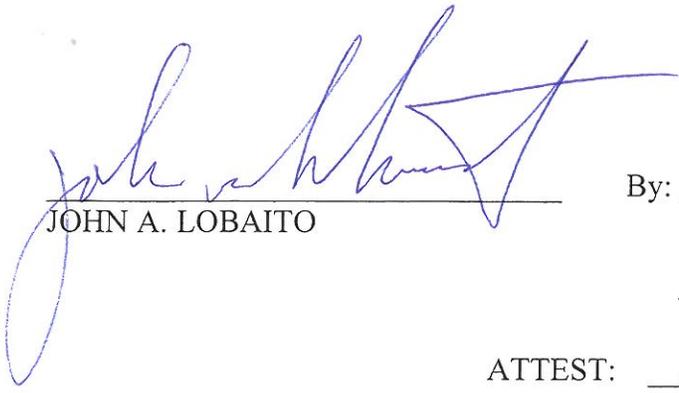
- A. The text herein shall constitute the entire Agreement between the parties.
- B. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of EMPLOYEE.

- C. If any provision or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement or a portion thereof, shall be deemed severable, shall not be affected and shall remain in force and effect.
- D. On the effective termination of this Agreement the EMPLOYEE will surrender to the Village the possession of his office and any other equipment owned by the Village. The EMPLOYEE will not be entitled to office services from and after such termination date.
- E. This Agreement has been executed in Illinois, and shall be governed in accordance with the laws of the State of Illinois in every respect.
- F. Paragraph headings and numbers have been inserted for convenience of reference only, and if there shall be any conflict between such headings or numbers and the text of this Agreement, the text shall control.
- G. This Agreement may be executed in one or more counterparts, each of which shall be considered the original, and all of which together shall be considered one and the same instrument.
- H. The failure of the Village to insist on strict compliance of any provision, term or covenant of this Agreement shall not be deemed a waiver or relinquishment.
- I. In the event there is a conflict between the terms of any Village policy, ordinance or other enactment and the terms of this Agreement, the Agreement shall control.
- J. This Agreement contains all the terms agreed upon by the parties with respect to the subject matter of this Agreement and supersedes all prior agreements, arrangements and communications between the parties concerning such subject matter, whether oral or written.

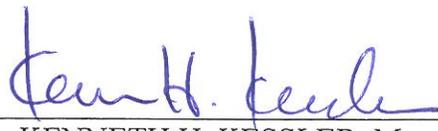
IN WITNESS WHEREOF, the Village of Mundelein has caused this Agreement to be signed and executed in its behalf by its Mayor, and duly attested by its Village Administrator and the EMPLOYEE has signed and executed this Agreement, both in duplicate the day and year first above.

EMPLOYEE:

EMPLOYER:



JOHN A. LOBAITO

By: 

KENNETH H. KESSLER, Mayor
Village of Mundelein

ATTEST: 

ESMIE DAHLSTROM, Clerk

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT
WITH VILLAGE ADMINISTRATOR

THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT is entered into on April 23, 2007 by and between the Village of Mundelein, State of Illinois, a municipal corporation, hereinafter called "EMPLOYER" or "VILLAGE" and John A. Lobaito, 803 Silver Glen Road, McHenry, Illinois 60050, hereinafter called "EMPLOYEE", both of whom agree as follows:

WITNESSETH:

WHEREAS, the parties, entered into an Employment Agreement on December 19, 2005 hereinafter called "EMPLOYMENT AGREEMENT", under which the EMPLOYER employed the EMPLOYEE as the Village Administrator and the EMPLOYEE accepted such employment; and

WHEREAS, the parties desire to enter into this First Amendment to the EMPLOYMENT AGREEMENT to memorialize (a) an extension in the term of the EMPLOYMENT AGREEMENT until December 19, 2007 and (b) an increase in the EMPLOYEE's annual base salary retroactive to December 19, 2006 as provided in Section V of the EMPLOYMENT AGREEMENT.

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

1. Section 2A of the EMPLOYMENT AGREEMENT is hereby amended to provide that it shall remain in full force and effect until December 19, 2007.

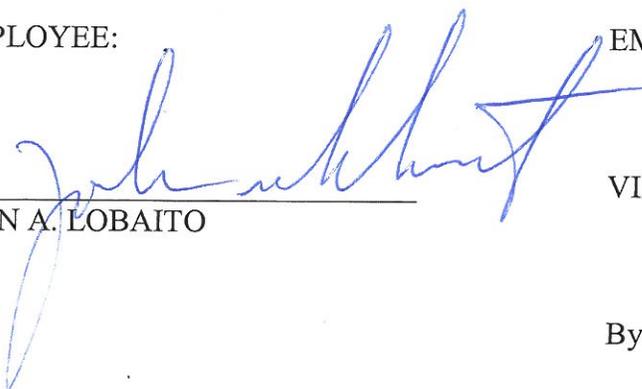
2. Section V of the EMPLOYMENT AGREEMENT is hereby amended to provide for an increase in the EMPLOYEE's annual base salary from \$140,000 to \$150,500 retroactive to the first anniversary of the EMPLOYEE's employment on December 19, 2006.

- (a) Said annual base salary shall be paid in installments at the same time as other employees for the VILLAGE are paid, except that the accumulated difference between the previous installment payments and the current installment payments shall be paid in a lump sum on the next payroll date.
- (b) The \$10,500.00 increase in the annual base salary consists of a merit increase of 4.5% (\$6,300.00) and a COLA increase of 3.0% (\$4,200.00).

3. Except as amended herein, all of the terms, conditions and provisions in the EMPLOYMENT AGREEMENT are hereby confirmed and they remain in full force and effect.

IN WITNESS WHEREOF, the Village of Mundelein has caused this First Amendment to the Employment Agreement to be signed and executed on its behalf by its Mayor, and duly attested by its Village Clerk, and the Employee has signed and executed this First Amendment to the Employment Agreement, both in duplicate on the day and year first above written.

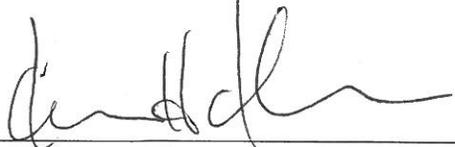
EMPLOYEE:



JOHN A. LOBAITO

EMPLOYER:

VILLAGE OF MUNDELEIN

By: 

KENNETH H. KESSLER, Mayor

Attest: 

ESMIE DAHLSTROM, Village Clerk

**SECOND AMENDMENT TO
EMPLOYMENT AGREEMENT
WITH VILLAGE ADMINISTRATOR**

THIS SECOND AMENDMENT TO EMPLOYMENT AGREEMENT is entered into on May 13, 2013 by and between the Village of Mundelein, an Illinois municipal corporation, hereinafter called "EMPLOYER" or "VILLAGE," and John A. Lobaito, 803 Silver Glen Road, McHenry, Illinois 60050, hereinafter called "EMPLOYEE."

WITNESSETH:

WHEREAS, the parties entered into an Employment Agreement, dated December 19, 2005 hereinafter called the "ORIGINAL EMPLOYMENT AGREEMENT" under which the EMPLOYER employed the EMPLOYEE as the Village Administrator and the EMPLOYEE accepted such employment; and

WHEREAS, the parties entered into a First Amendment to the ORIGINAL EMPLOYMENT AGREEMENT, dated April 23, 2007, hereinafter called the "FIRST AMENDMENT," to memorialize (a) an extension in the term of the ORIGINAL EMPLOYMENT AGREEMENT until December 19, 2007 and (b) an increase in the EMPLOYEE's annual base salary retroactive to December 19, 2006 as provided in Section V of the ORIGINAL EMPLOYMENT AGREEMENT. The ORIGINAL EMPLOYMENT AGREEMENT and the FIRST AMENDMENT are referred to hereinafter as the "EMPLOYMENT AGREEMENT."

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

1. Section 2 A of the EMPLOYMENT AGREEMENT is hereby amended to provide that it shall remain in full force and effect until December 19, 2013 and on that anniversary date, and on each anniversary date thereafter, it shall be automatically renewed for an additional one year period unless either party gives a written notice to the other party at least ninety (90) days prior to any anniversary date that the EMPLOYMENT AGREEMENT shall not be renewed on the next anniversary date.

2. Section V of the EMPLOYMENT AGREEMENT is hereby amended to provide for an increase in the EMPLOYEE's annual base salary from \$150,500.00 to \$158,025.00 retroactive to the last anniversary date of the EMPLOYEE's employment, i.e. December 19, 2012.

(a) Said annual base salary shall be paid in installments at the same time as other employees for the VILLAGE are paid, except that the accumulated difference between the previous installment payments and the current installment payments shall be paid in a lump sum on the next payroll date.

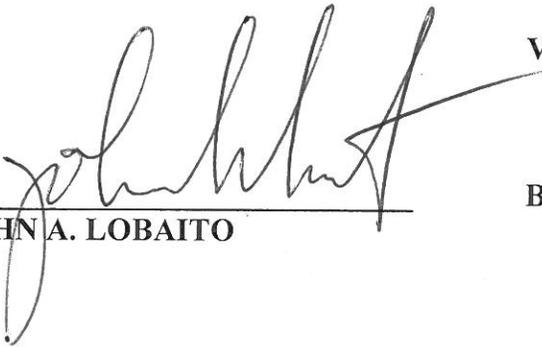
(b) The \$7,525.00 increase in the annual base salary consists of a merit increase of 3% (\$4,515.00) and a COLA increase of 2% (\$3,010.00).

(c) On December 19, 2013 and on each anniversary date of the EMPLOYMENT AGREEMENT thereafter the EMPLOYEE shall receive an automatic increase in his annual base salary in an amount equal to the percentage COLA increase, if any, paid to all other unrepresented employees of the VILLAGE.

3. Except as amended herein, all of the terms, conditions and provisions in the EMPLOYMENT AGREEMENT are hereby confirmed and they remain in full force and effect.

IN WITNESS WHEREOF, the Village of Mundelein has caused this SECOND AMENDMENT to the EMPLOYMENT AGREEMENT to be signed and executed by its Mayor and duly attested by its Village Clerk, and the EMPLOYEE has signed and executed this SECOND AMENDMENT to the EMPLOYMENT AGREEMENT, both in duplicate on the day and year first above written.

EMPLOYEE



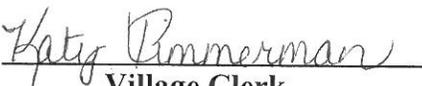
JOHN A. LOBAITO

EMPLOYER

VILLAGE OF MUNDELEIN

By: 

Mayor

ATTEST: 

Village Clerk