EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made and entered into as of the Effective Date (as defined below) by and between the City of Clarendon, Texas (the "City") and Machiel Covey ("Employee").

1. Duties and Scope of Position.

(A) Position and Duties. For the term of her employment under this Agreement, the City agrees to retain the Employee as its City Secretary reporting directly to the City Council. Employee shall have such duties, powers, authority, responsibilities, and obligations as provided by the State of Texas Local Government Code 22.073 existing the date this Agreement was signed.

City Secretary:

(1) The City Council shall remove, without cause, the City Secretary upon the affirmative vote of a majority of the full membership of the City Council.

(2) The City Council shall fix the compensation of the City Secretary, and the City Secretary's compensation may be amended, from time to time, in accordance with the City Secretary's experience, qualifications and performance.

(3) The City Secretary shall:

(a) Give notice of all official public meetings in a manner consistent with state laws;

(b) Attend or appoint a substitute to attend all public meetings and hearings of the City Council;

(c) Keep the minutes of the proceedings of all public official meetings and hearings of the City Council and other boards and commissions in a manner prescribed by the City Council consistent with applicable law;

(d) Act as custodian of all official records of the City Council;

(e) Hold and maintain the seal of the City and affix this seal to all appropriate documents;

(f) Authenticate, by signature and seal, and record all ordinances, resolutions and proclamations of the City;

(g) Schedule and oversee all City elections in accordance with the Texas Election Code and any other applicable law.

(h) Notify the Texas Secretary of State, Texas Comptroller and any other state agency required by law of the name of each person who is elected or appointed as mayor, municipal court judge, or clerk of a municipal court of the municipality. The secretary shall notify the agencies within 30 days after the date of the person's election or appointment.

(i) Carefully keep all contracts made by the governing body.

(j) Keep a register of bonds and bills issued by the municipality and all evidence of debt due and payable to the municipality, noting the relevant particulars and facts as they occur.

(k) Be registered with the State of Texas as a Notary Public.

(l) Complete all requirements necessary to remain a Texas Registered Municipal Clerk.

(m) Perform such other duties, as may be required by the City Council, which are consistent with state and federal law.

(B) Obligations to the City. During her employment under this Agreement, the Employee shall devote her full time and energy to her service to the City and shall not be engaged in any competitive or conflicting activity without the express consent of the City Council, provided that Employee may engage in charitable, religious, community or other professional activities that do not substantially interfere with her service to the City. Employee shall abide by the City Council's policies and rules regarding her employment during the term of her employment.

(C) Employee may be given such assistants and staffing as the City Council may from time to time provide in the budget of the City, from each of whom Employee shall expect a similar level of loyalty and fidelity. Any assistants or staff shall be under the supervision of the City Secretary.

2. Term of Employment; Review.

(A) Unless sooner terminated in accordance with the provisions of Section 4 of this Agreement, the City agrees to employ the Employee, and Employee agrees to continue in employment with the City, as its City Secretary beginning on the Effective Date and continuing through September 30, 2027. This Agreement will be in effect for a subsequent two-year period unless the City Council provides written notice to the Employee at least sixty days prior to September 30th of each following year. This section does not limit at-will status or limit City Council right to terminate Employee at any time.

(B) The City Administrator shall annually review and evaluate the performance of Employee and present it to City Council for action during the term of this Agreement in or about June of each year. The City agrees to adjust base salary, car allowance, and/or other benefits of City Secretary in such amounts and to such an extent as the City Council may deem appropriate on the basis of the review, and at such other times the Council may also deem appropriate.

3. Compensation; Benefits; Expenses.

(A) Compensation. For the services rendered by Employee during the term of this Agreement, Employee shall be entitled to the following:

(1) Salary, payable bi-weekly or in accordance with a schedule generally applicable to other City Employees, at the annual rate of $56,756.96 annually.

(2) Hours of Work, City Secretary is an exempt employee and is expected to engage in those hours of work which are necessary to fulfill the obligations of the City Secretary's position and therefore is available at all times.

(3) Benefits. Employee shall be allowed to participate in all City health, welfare, retirement, savings, leave plan, and other employee benefits and fringe benefit plans on the same basis as that offered or provided to other City employees (including such benefits as provided or offered to senior or executive City

Employees) subject to the terms and conditions generally applicable to other City employees who participate in such plans.

(4) Professional Development and Dues. The City agrees to budget for and pay, on behalf of Employee, dues, seminar/conference registrations and the costs incurred in participating in conferences, short courses, seminars, and institutes that are necessary for TRMC recertification for the professional development of Employee as conclusively decided by City Council.

(5) Expenses. The City agrees to provide Employee with $30.00/month for cellular telephone use of city business activities and of 100.00/month for an automobile allowance to run in town errands. Employee shall be entitled to reimbursement for other incurred or out-of-pocket expenses in accordance with generally applicable City policies governing the reimbursement or per diem of employee expenses.

(6) Vacation, Sick Leave, and Time Off Employee shall be entitled to vacation leave and sick leave as generally applies under City policy to employees of similar seniority and Employee may carry over all accrued vacation and sick time.

4. Termination.

(A) Termination and Severance Pay Benefits. In the event the Employee is terminated by the City of Clarendon City Council after the effective date of this Agreement and during such time that Employee is willing to perform her duties under this Agreement, then, in the event, the City agrees to pay Employee, and Employee agrees to accept as her sole and exclusive remedy, a lump sum cash payment equal to: five (5) month's salary at then current salary of Employee (less deductions for federal income tax and social security, if applicable; the value of the then applicable contribution to the Texas Municipal System ("TMRS") based on five (5) month's salary at the then current salary of Employee; and all accrued but unpaid personal leave not to exceed one hundred and five (105) personal leave days in total satisfaction of the City's contractual obligations to Employee; provided, however, that in the event Employee is terminated "for cause", the City shall have no obligation to pay or provide the benefits set forth in this Agreement. For purposes of this Section, the City shall have "Good Cause" to terminate Employee's employment if:

(1) The Employee fails to substantially perform her duties hereunder and such failure is not cured or discontinued within a reasonable period of time, not to exceed 30 days, after the Employee receives written notice from the City specifying the grounds for such failure;

(2) The Employee commits an act of dishonesty, disloyalty or other conflict of interest intended to result in personal enrichment at the expense of the City or the Employee is convicted of any felony;

(3) The Employee is otherwise grossly negligent or engages in willful misconduct or act of violence in the performance of her duties resulting in a material adverse effect on the City.

(B) Resignation. If Employee voluntarily resigns her position with the City before expiration of the aforesaid term of employment, then Employee shall give the City thirty (30) days written notice in advance, unless the parties agree otherwise. Any

voluntary resignation shall act to eliminate Employee's entitlement to any severance pay under Section 4A. hereof.

5. Notices.

Any notice required or desired to be given from one party to the other party to this Agreement shall be in writing and shall be given and shall be deemed to have been served and received (whether actually received or not) if (i) delivered in person; (ii) deposited in an official depository under the regular care and custody of the United States Postal Service located within the confines of the United States of America sent certified mail, return receipt requested, and addressed to such party at the address specified; or (iii) delivered to such party by courier receipted delivery. Either party may designate another address within the confines of the continental United States of America for notice, but until written notice of such change is actually received by the other party, the last address of such party designated for notice shall remains such party's address for notice.

6. Attorney's Fees.

City shall indemnify, to the extent allowed by law, Employee against expenses (including attorney's fees) and amounts paid in settlement actually and reasonably incurred by her in connection with the defense of any civil, or administrative action, suit or proceeding in which she is made a party or with which she is threatened, by reason of being or because of any act as an employee of the City within the course and scope of her duties and employment hereunder if she acted in good faith and in a manner in which she reasonably believed to be in or not opposed to the best interest of the City. Notwithstanding the foregoing, she shall not be entitled to indemnification regarding any matter in which she fails to notify the City of a claim within a reasonable time or fails to cooperate in the defense of such claim, but only to the extent that the defense of such claim is prejudiced by her failure to give notice or to cooperate.

7. No Assignment.

Neither party shall have the right to assign that party's interest in this Agreement without the prior written consent of the other party.

8. Severability.

If any term or provision of this Agreement is held to illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable term or provision, there shall be added automatically to this Agreement a legal, valid or enforceable term or provision as similar as possible to the term or provision declared illegal, invalid or unenforceable.

9. Waiver.

Either City or Employee shall have the right to waive any requirement contained in this Agreement, which is intended for the waiving party's benefit, but , except as otherwise provided herein, such waiver shall be effective only if in writing executed by the party for whose benefits such requirement is intended. No waiver of any breach or violation of any term of this Agreement shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or of a different type of breach or violation.

10. Governing Law; Venue.

This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Donley County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Donley County, Texas.

11. Paragraph Headings; Construction.

The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both parties have participated in the negotiation and preparation of this Agreement and this Agreement shall not be construed either more or less strongly against or for either party.

12. Binding Effect.

Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal and legal representatives, successors and assigns.

13. Gender.

With this Agreement, words of any gender shall be held and construed to include any other gender, and words in this singular number shall be held construed to include the plural, unless the context otherwise requires.

14. Counterparts.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

15. Computation of Deadlines.

If any deadline contained herein ends on a Saturday, Sunday or a legal holiday recognized by the State of Texas, such deadline shall automatically be extended to the next day that is not a Saturday, Sunday or legal holiday.

16. Dispute Resolution: Enforcement of Contract.

In accordance with the provisions of Subchapter I, Chapter 271, Texas Local Government Code, the parties agree, that, prior to instituting any lawsuit or other proceeding arising from a dispute under this Agreement, the parties will first attempt to resolve the dispute by taking the following steps: (a) A written notice substantially describing the nature of the dispute shall be delivered by the dissatisfied party to the other party, which notice shall request a written response to be delivered to the dissatisfied party not less than 5 days after receipt of the notice of dispute; (b) If the response does not reasonably resolve the dispute, each party shall appoint a person to help resolve the dispute.

EXECUTED and effective as of the 15th day of July 2025.

CITY:

Jacob Fangman
Mayor

Date: 6-25-26

EMPLOYEE:

Machiel Covey
City Secretary

Date: 6-25-26

Approved as to form:

Slater Elza, Underwood Law Firm

ADDENDUM TO EMPLOYMENT AGREEMENT

The Employment Agreement ("Agreement") made and entered into by and between the City of Clarendon ("City") and Machiel Covey ("City Secretary") is renewed pursuant to Section 2A of the Agreement, subject to the following modifications:

1. Salary increase of 2%.

Approved by the City Council on June 23, 2026.

Jacob Fangman, Mayor

Attest:

Machiel Covey, City Secretary