

**AMENDMENT NO. 3
TO THE GENERAL MANAGER EMPLOYMENT AGREEMENT
BETWEEN VALLEY SANITARY DISTRICT AND JASON DAFFORN**

1. Parties and Date.

This Amendment No. 3 to the General Manager Employment Agreement is made and entered into as of this 23rd day of June, 2026, by and between the Valley Sanitary District ("District") and Jason Dafforn ("Employee"). District and Employee are sometimes individually referred to as "Party" and collectively as "Parties."

2. Recitals.

2.1 Employee. District and Employee entered into an agreement titled "General Manager Employment Agreement Between Jason Dafforn and the Valley Sanitary District," dated June 14, 2023 ("Agreement"), for the purpose of retaining the services of Employee to provide general manager services.

2.2 Amendment No. 1. District and Employee entered into Amendment No. 1 to the Agreement, dated June 25, 2024, for the purposes of providing certain salary and benefit increases to Employee in accordance with the terms of the Agreement.

2.3 Amendment No. 2. District and Employee entered into Amendment No. 2 to the Agreement, dated May 27, 2025, for the purposes of providing certain salary and benefit increases to Employee in accordance with the terms of the Agreement.

3. Terms.

3.1 Amendment. Section 5.3 of the Agreement is hereby amended in its entirety to read as follows:

"5.3 *By the District, Without Cause.* At any time, and without prior notice, the District may terminate the Employee's employment for any reason, with or without cause. In the event the District exercises its right under this provision to terminate employment without cause, the District shall pay Employee all compensation due and owing through the last day actually worked, plus nine (9) months of the Employee's salary as of the time of the termination or pursuant to the requirements of Government Code § 53260, an amount equivalent to the remainder of the term of this Agreement, whichever is less. The payment of such severance benefit shall be conditioned upon Employee executing a general release agreement containing a general release of all claims Employee may have against the District at the time of any such termination, in such form as may be reasonably required by District's attorney. Such severance benefit shall not be payable unless and until Employee executes such a general release and until expiration of all waiver and rescission rights as provided by law at the time of such termination. Failure by the Employee to satisfy his termination obligations pursuant to Section 5(E) shall nullify the District's obligation to provide severance payment pursuant to this Section. If Employee is convicted of a crime involving an abuse of his office or position, whether before or after release from employment, Employee shall fully reimburse

the District for any severance pay, paid leave salary disbursed pending an investigation, or legal criminal defense funds relevant to the crime paid for by the District.”

3.2 New Salary Step. Pursuant to the Agreement, the Board recently held an annual performance evaluation and determined that Mr. Dafforn has met the prerequisites for salary adjustment. Employee shall be placed at Salary Step H, effective June 14, 2026.

3.3 Car Allowance. Employee shall receive an increase in his car allowance in Section 3.9 of the Agreement to Nine Hundred Dollars (\$900.00) per month in lieu of receiving mileage reimbursement, effective June 14, 2026.

3.4 Effective Date. This Amendment No. 3 shall be effective as of June 14, 2026.

3.5 Continuing Effect of Agreement. Except as amended by this Amendment No. 3, all other provisions of the Agreement remain in full force and effect and shall govern the actions of the parties under this Amendment No. 3. From and after the date of this Amendment No. 3, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement as amended by this Amendment No. 3.

3.6 Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment No. 3.

3.7 Severability. If any portion of this Amendment No. 3 is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

[Signatures on Next Page]

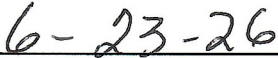
**SIGNATURE PAGE FOR AMENDMENT NO. 3 TO THE GENERAL MANAGER
EMPLOYMENT AGREEMENT BETWEEN VALLEY SANITARY DISTRICT AND JASON
DAFFORN**

IN WITNESS WHEREOF, District and Employee have entered into Amendment No. 3 as of
the date first set forth hereinabove.

VALLEY SANITARY DISTRICT

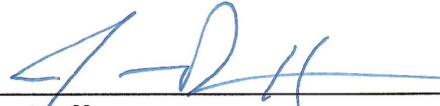


Debra Canero
Board President

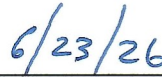


Date

EMPLOYEE



Jason Dafforn



Date