

**AMENDMENT NO. 5 TO CITY MANAGER EMPLOYMENT AGREEMENT
BETWEEN CITY OF TEMECULA AND AARON ADAMS**

The Employment Agreement (“Agreement”) by and between the City of Temecula, a California Municipal Corporation (“City” or “Employer”), and Aaron Adams, an individual (“Employee”), made and entered into as of June 1, 2013, as previously amended, is hereby further amended as provided in this Amendment No. 5. This Amendment No. 5 is effective December 13, 2022, except as otherwise indicated. In consideration of the mutual covenants hereinafter contained the parties agree as follows:

1. **Recitals.** This Agreement is made with respect to the following purposes and facts that each party acknowledges to be true and correct:

A. The Parties previously entered into the Agreement as of June 1, 2013, as amended by Amendment No. 1, approved February 4, 2017; Amendment 2, approved May 9, 2017; Amendment No. 3, approved June 1, 2019 and Amendment No. 4 dated May 10, 2022.

B. City and Employee desire to amend the Agreement according to the terms of this Amendment No. 5, as provided below.

2. **Term.** Section 3 (Term) Paragraph A and B of the Agreement are amended to read as follows:

"A. The term of this Agreement is further extended to December 30, 2026, unless sooner terminated as provided in Paragraph 6 of this Agreement."

"B. The term of this Agreement may be extended by mutual agreement of the parties in a written amendment to this Agreement or by a new written agreement, duly adopted by the City Council. Provided this Agreement is still in force, the City Council shall advise Employee on or before June 30, 2026 if the City Council intends to negotiate an extension of this Agreement. Employee shall remind the City Council during the month of May 2026 of the requirement for an indication of its intent. Should the parties decide to negotiate an extension, neither party is required to reach agreement."

3. **Termination and Resignation.** Section 6 (Termination and Resignation), Paragraphs A and B, of the Agreement are amended to read as follows:

“6. Termination and Resignation. Section 6 (Termination and Resignation) of the Agreement is amended to read as follows:

“A. Employee is an at-will employee serving at the pleasure of the City Council, subject to the terms of this Agreement. City Council may terminate this Agreement and the employment of Employee at any time without notice and with or without cause. Termination shall require the affirmative votes of three Council Members.

“B. Severance Benefit

1. Termination. In the event Employee is terminated by the City Council by a unanimous vote, of the full City Council, City shall pay Employee a lump sum severance benefit equal to twelve (12) months of his then-monthly salary (salary as of the final day of employment), or such time as is remaining on the term of the Agreement, whichever is less, subject to the provisions of Section 6.C. of the Agreement. In the event Employee is terminated by the City Council without a unanimous vote of the full City Council, City shall pay Employee a lump sum severance benefit equal to eighteen (18) months of his then-monthly salary (salary as of the final day of employment), or such time as is remaining on the term of the Agreement, whichever is less, subject to the provisions of Section 6.C. of the Agreement. City shall also provide to Employee, at no cost to Employee, health benefits provided by Paragraph 5.B. of this Agreement: (1) for the number of months of severance as described above, (2) until Employee finds other employment; or (3) until Employee files for retirement with CalPERS, whichever occurs first. Employee shall not be entitled to retirement or leave benefits during this period, or any other benefit not permitted by law. These severance benefits shall not apply if Employee voluntarily resigns or if this Agreement expires without a written amendment extending it.

2. Involuntary Resignation. Employee has relied upon the provisions of Government Code Sections 34851 to 34959 and Chapter 2.12 of the Temecula Municipal Code establishing the City Manager form of Government in entering into this Agreement, as it pertains to Employee's terms and conditions of employment, including but not limited to his role, powers, duties, authority, responsibilities, compensation and benefits. In the event Chapter 2.12 or other provisions of the Municipal Code are amended without the consent of Employee, and such addition, deletion or amendment is inconsistent with the terms of this Agreement and Employee's terms and conditions of employment, including but not limited to his role, powers, duties, authority, responsibilities, compensation and benefits as currently provided, then Employee shall have the right, at Employee's sole option, to give the City Council notice that such amendment(s) constitute involuntary resignation and Employee shall be entitled to resign and City shall pay Employee a lump sum severance benefit equal to eighteen (18) months of his then-monthly salary (salary as of the final day of employment), or such time as is remaining on the term of the Agreement, whichever is less. Upon receipt of such notice the City Council shall have thirty days in which to do one of the following: (a) rescind the amendment(s); (b) renegotiate this Agreement to Employee's satisfaction; or (c) take no action. In the event that either (c) occurs, or the City is unable to accomplish (b), then Employee shall be entitled to resign and still receive the severance benefits provided in this Section 6.B.

“C. City shall not be obligated to provide the severance benefits designated in Paragraph 6.B in the event that: (1) Employee is terminated because of his conviction of a felony or the filing of a criminal charge against him alleging a felony which subsequently results in his conviction of a felony (including a plea of nolo contendere thereto); or (2) Employee has engaged in corrupt or willful misconduct in office, including any illegal act involving personal gain. In the event Employee is terminated by City following the filing of felony charge or charges, Employee shall be entitled to such severance benefits commencing at the time a final judgment is rendered

or disposition of the charges is made establishing that Employee did not commit the acts for which he was charged unless it is otherwise established that Employee has engaged in corrupt or willful misconduct in office, including any illegal act involving personal gain.

“D. Upon termination, separation, or expiration of Employee's employment as City Manager, City shall pay to Employee the lump sum cash equivalent of all of the remaining leaves to which Employee is entitled under this Agreement.

“E. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from his position with City, subject only to Employee providing sixty (60) days prior written notice to the City or such shorter period as approved in writing by the City Council.

“F. Notwithstanding the above, it is also understood and agreed that Employee shall be retained a minimum of six (6) months following the date of certification of any municipal election at which a new councilmember is elected to the Council, thereby allowing the new City Council adequate time to assess the Employee's performance. If Employee is terminated at the end of this six month period following such an election, the provisions of this Section shall apply to such action.

“G. Any other term of this Agreement notwithstanding, the maximum severance and health benefits that Employee may receive under this Agreement as a result of termination shall not exceed the limitations provided in Government Code §§ 53260-53264. Further, in the event Employee is convicted of a crime involving an abuse of office or position, Employee shall reimburse the City for any paid leave or cash settlement (including severance), as provided by Government Code Sections 53243 — 53243.4.”

4. **No Other Changes.** Except as expressly modified in this Amendment No. 5, all provisions of the Agreement, as previously amended, shall remain in full force and effect.

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12-1-22

IN WITNESS WHEREOF the parties have executed this Amendment No. 5 as of the date first written above.

CITY OF TEMECULA

Matt Rahn
Mayor

EMPLOYEE

Aaron Adams

ATTEST:

Randi Johl, JD, MMC
City Clerk

APPROVED AS TO FORM:

Peter M. Thorson
City attorney