EMPLOYMENT AGREEMENT

This Employment Agreement (hereafter referred to herein as "Agreement") is made and entered into this 6th day of January, 2016, by and between the City of Moreno Valley, California (hereafter referred to herein as "CITY"), a California municipal corporation and general law city, and Marshall Eyerman (hereafter referred to herein as "EMPLOYEE"), an individual, on the following terms and conditions:

RECITALS

A. CITY, by and through the City Manager, desires to employ the services of Employee as Chief Financial Officer of CITY; and

B. EMPLOYEE desires to accept employment as Chief Financial Officer in consideration of and subject to the terms and conditions set forth in this Agreement.

OPERATIVE PROVISIONS

In consideration of the promises and covenants contained herein, the parties agree as follows:

1. Position and Duties.

1.1 Position. EMPLOYEE accepts employment with CITY as its Chief Financial Officer and shall perform all functions, duties and services as set forth in this Agreement. EMPLOYEE shall provide services at the direction and under the supervision of the City Manager of CITY.

1.2 Duties. The duties of EMPLOYEE shall be as determined by the City Manager, generally in conformance with the job description attached hereto and incorporated herein as though set forth in full as Attachment A to this Agreement. EMPLOYEE shall devote his/her best efforts and full-time attention to the performance of these duties.

1.3 Hours of Work. EMPLOYEE shall devote the time necessary to adequately perform his/her assigned duties. The work schedule shall be the same as the schedule in place for all other Executive Managers of CITY, provided the schedule of such hours provides adequate availability during normal business hours and for the performance of his/her duties in conducting CITY business. The position of Chief Financial Officer shall be deemed an exempt position under applicable wage and hour law. EMPLOYEE hereby acknowledges that he/she shall not be entitled to any compensation for overtime.

1.4 Professional Activity. The City Manager desires EMPLOYEE to be reasonably active in national, statewide, regional and professional organizations that will contribute to his/her professional development and standing and that will contribute to the advancement of the CITY's interests and standing. Toward that end, EMPLOYEE may, upon advance notice to the City Manager, undertake such activities as are directly related to his/her professional development and that advance the interests and standing of the CITY, provided that such activities do not in any way interfere with or adversely affect his/her employment as Chief Financial Officer or the performance of his/her duties as provided

herein. CITY agrees to reimburse EMPLOYEE'S reasonable and necessary travel, business and subsistence expenses for his/her activities as provided for in the City's Administrative Policies.

1.5 Other Activity. In accordance with Government Code Section 1126, during the period of his/her employment, EMPLOYEE shall not accept, without the express prior written consent of the City Manager, any other employment or engage, directly or indirectly, in any other business, commercial, or professional activity (except as permitted under Section 1.4 [Professional Activity], regardless of whether for pecuniary advantage, that is or may be competitive with the CITY, that might cause a conflict-of-interest with the CITY, or that otherwise might interfere with the business or operation of the CITY or the satisfactory performance of EMPLOYEE'S duties.

2. Term.

2.1 Term. The term of this Agreement shall commence on January 6, 2016, upon being executed by EMPLOYEE and approved by the City Manager. This Agreement shall remain in effect until such time as this Agreement is terminated pursuant to Section 4, below.

2.2 At-Will Employment. EMPLOYEE acknowledges that he/she is an at-will employee of CITY who shall serve at the pleasure of the City Manager at all times during the period of his/her service under this Agreement. The terms and provisions of CITY's personnel rules, policies, procedures, ordinances and resolutions applicable to at-will employees shall also apply to EMPLOYEE, and he/she shall be entitled to all benefits and rights afforded to other Executive Management (as defined in the City's Personnel Rules) of CITY, except to the extent provided by this Agreement, and, in the case of any conflict between this Agreement, and the Personnel Rules, policies, procedures, ordinances and resolution, the terms of this Agreement shall prevail. Notwithstanding the application of the City's Personnel Rules to this Agreement, and without limitation, EMPLOYEE shall have no rights under sections 9, 10, 11 and 12 of the Personnel Rules. Nothing in this Agreement is intended to, or does, confer upon EMPLOYEE any right to any property interest in continued employment, or any due process right to a hearing before or after a decision by the City Manager to terminate his/her employment, except as is expressly provided in Section 4 [Termination] of this Agreement. Nothing contained in this Agreement shall in any way prevent, limit or otherwise interfere with the right of CITY to terminate the services of EMPLOYEE as provided in Section 4 [Termination]. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of EMPLOYEE to resign at any time from this position with CITY, subject only to the provisions set forth in Section 4 [Termination] of this Agreement. This at-will employment Agreement shall be expressly subject to the rights and obligations of CITY and EMPLOYEE, as set forth in Section 4 [Termination] herein.

3. Compensation.

3.1 Salary. For all services performed by EMPLOYEE as the Chief Financial Officer under this Agreement, CITY shall pay EMPLOYEE compensation in accordance with the adopted salary schedule for the position, plus all other compensation benefits afforded by CITY to other full time Executive Management employees. EMPLOYEE shall be entitled to all cost of living and other salary and benefit adjustments implemented by the CITY as

applicable to other full time Executive Management employees, to include City's employee furlough program and eligibility for Merit Increases. The starting annual salary shall be $170,000, paid bi-weekly according to the payroll schedule in place for CITY employees. All compensation and leave policies applicable to Executive Management employees as contained in CITY'S Personnel Rules and Regulations shall apply.

3.2 Annual Leave. All compensation and leave policies applicable to Executive Management as contained in the City's Personnel Rules and Regulations, Sections 7 and 14, shall apply. EMPLOYEE shall annually accrue 336 hours of Annual Leave. Annual Leave shall be subject to CITY's Personnel Rules and Regulations as they apply to other Executive Management employees.

3.3 Automobile Allowance. EMPLOYEE shall be entitled to an automobile allowance as compensation for the use of personal automobile(s) for CITY business as provided for in CITY policies. This monthly allowance shall equal the amount provided to other Executive Management employees, and is currently five hundred dollars ($500) per month. In addition, EMPLOYEE shall be entitled to excess mileage reimbursement according to adopted CITY policies for any qualifying trip in the course and scope of employment.

3.4 Benefit Bank. The CITY has adopted a "flexible or cafeteria" benefit plan intended to cover certain benefits. EMPLOYEE shall be entitled to a benefit bank at the Tier I level to be disbursed on a 24-pay period basis. Use of benefit bank dollars shall be governed by the City's Personnel Rules and Regulations and any applicable Internal Revenue Service rules.

4. Termination.

4.1 The City Manager may terminate EMPLOYEE'S employment, and this Agreement "for cause" at any time upon written notice. "For cause" is defined as any of the following:
(i) an act in bad faith and to the detriment of the City; (ii) refusal or failure to act in accordance with any specific lawful direction or order of the City Manager; (iii) unfitness or unavailability for service that exceeds thirty (30) consecutive calendar days and is not the result of any excused illness or medical condition; (iv) commission of an act involving moral turpitude or other acts which harm the reputation of or interests of the City; (v) habitual neglect of responsibilities, or incompetence; (vi) a conviction of a felony or other crime punishable by jail or imprisonment in the jurisdiction involved (or entry of a plea of guilty or *nolo contendere* with respect to any such crime); (vii) possession of, use of, or working while under the influence of alcoholic beverages or other non-prescribed controlled substances or abuse/misuse of lawfully prescribed controlled substances during working hours; (viii) engaging in an actual conflict of interest; (ix) commission of acts of theft, embezzlement, or fraud; (x) acceptance of bribes or extortion; (xi) material breach of this Agreement by EMPLOYEE. If this Agreement is terminated by the City Manager "for cause," EMPLOYEE'S employment shall be deemed immediately terminated and EMPLOYEE shall surrender all CITY keys, computer passwords, and other CITY property entrusted to EMPLOYEE for the purposes of the discharge of his/her duties. Upon termination for cause, EMPLOYEE shall have no recourse under this AGREEMENT or any administrative procedure for purposes of challenging the termination action.

4.2 In the event EMPLOYEE is terminated "without cause" or asked to resign during

such time that EMPLOYEE is willing and able to perform the Duties under this Agreement, then CITY agrees, upon receipt of a Comprehensive General Release and Settlement Agreement in the standard form signed by EMPLOYEE, to pay EMPLOYEE a lump sum cash payment equal to 6 months of Salary and benefits [Section 3] as severance pay.

4.3 EMPLOYEE shall receive a lump sum payout of any unpaid accruals of Annual Leave upon termination of employment for any reason pursuant to CITY policies.

4.4 EMPLOYEE shall not be entitled to any increases in Salary or benefits afforded by CITY to other Executive Management employees following the date of termination.

4.5 This Agreement may be terminated by EMPLOYEE at any time upon 45 days written notice to the City Manager. If such written notice is given, the City has the option to ask EMPLOYEE to leave his/her position sooner than the expiration of 45 days, but, if it does so, the City will continue to honor its obligations under this Agreement until expiration of the 45-day period.

4.6 EMPLOYEE'S employment and this Agreement shall terminate automatically upon EMPLOYEE'S death. In this event, the City shall pay the beneficiary designated by EMPLOYEE in writing, or in the absence of such designation, EMPLOYEE'S estate, his/her accrued and unpaid compensation, and all accrued but unused benefits, if any, through the date of EMPLOYEE'S death.

4.7 If EMPLOYEE becomes disabled and requires accommodation to permit him/her to perform the essential functions of the position, the City shall provide reasonable accommodation if possible and unless doing so creates undue hardship for the City.

5. Proprietary Information.

"Proprietary Information" is all information and any idea pertaining to any economic development engaged in or contemplated by the City (or any CITY affiliate), including marketing plans and development projects. Proprietary Information shall include, without limitation, trade secrets (as further defined in Uniform Trade Secrets Act, Civil Code §3426 et seq.), ideas, inventions, processes, formulae, data, know-how, software and other computer programs, copyrightable material, marketing plans, strategies, sales, financial reports, and forecasts. During his/her employment by CITY, EMPLOYEE shall only use Proprietary Information for the benefit of CITY and as is or may be necessary to perform his/her job responsibilities under this Agreement. Following termination, EMPLOYEE shall not use or disclose any Proprietary Information for the benefit of himself/herself or any third party, except with the express written consent of CITY. EMPLOYEE'S obligations under this Section shall survive the termination of his/her employment and the termination of this Agreement.

6. Conflict Of Interest.

EMPLOYEE represents and warrants to CITY that he/she presently has no interest, and represents that he/she will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or interfere in any way with performance of his/her services under this Agreement.

7. General Provisions.

7.1 Vehicle Operation. EMPLOYEE shall operate any vehicle used in connection with the performance of his/her duties in a safe manner and otherwise in observance of all established traffic safety laws and ordinances and shall maintain a valid California automobile's driver's license during the period of employment. In addition, EMPLOYEE shall maintain in full force and effect during the Term of this Agreement, valid automobile liability insurance providing coverage for collision, personal injury and medical reimbursement, in accordance with the City's Administrative Policy.

7.2 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be effective upon delivery by hand or three (3) business days after deposit in the United States mail, postage prepaid, certified or registered, and addressed to CITY at the address below, and at the last known address maintained in EMPLOYEE'S personnel file. EMPLOYEE agrees to notify CITY in writing of any change in his/her address during his/her employment with CITY. Notice of change of address shall be effective only when accomplished in accordance with this Section.

City's Notice Address: City of Moreno Valley c/o City Manager
P.O. Box 88005 14177 Frederick Street Moreno Valley, California 92552-0805

EMPLOYEE'S Address: [Deliver to last updated address in personnel file]

7.3 Indemnification. Subject to, in accordance with, and to the extent provided by the California Tort Claims Act [Government Code Section 810 *et* seq.] the CITY will indemnify, defend, and hold EMPLOYEE harmless from and against any action, demand, suit, monetary judgment or other legal or administrative proceeding, and any liability, injury, loss or other damages, arising out of any act or omission associated with EMPLOYEE'S performance of functions, duties and services set forth in this Agreement.

7.4 Bonding. The CITY shall bear the full cost of any fidelity or other bonds required of EMPLOYEE under any law or ordinance.

7.5 Integration. This Agreement is intended to be the final, complete, and exclusive statement of the terms of EMPLOYEE'S employment by CITY. This Agreement supersedes all other prior and contemporaneous agreements and statements, whether written or oral, express or implied, pertaining in any manner to the employment of EMPLOYEE, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements. To the extent that the practices, policies, or procedures of CITY, now or in the future, apply to EMPLOYEE and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control.

7.6 Amendments. This Agreement may not be amended, altered or modified, except in a written document signed by EMPLOYEE, and signed by the City Manager.

7.7 Waiver. Failure to exercise any right under this Agreement shall not constitute a waiver of such right.

7.8 Assignment. EMPLOYEE shall not assign any rights or obligations under this Agreement. CITY may, upon prior written notice to EMPLOYEE, assign its rights and obligations hereunder.

7.9 Severability. If a court holds any provision of this Agreement to be invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force and effect.

7.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, with venue proper only in Riverside County, State of California.

7.11 Interpretation. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any party. By way of example and not in limitation, this Agreement shall not be construed in favor of the party receiving a benefit or against the party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement.

7.12 Acknowledgment. EMPLOYEE acknowledges that he/she has had the opportunity to consult legal counsel in regard to this Agreement, that he/she has read and understands this Agreement, that he/she is fully aware of its legal effect, and that he/she has entered into it freely and voluntarily and based on his/her own judgment and not on any representations or promises other than those contained in this Agreement.

IN WITNESS WHEREOF, the CITY has caused this Agreement to be signed and executed on its behalf by its City Manager, and EMPLOYEE has signed and executed this Agreement, as of the date first indicated above.

Date: 1/4/2016

Employee

CITY OF MORENO VALLEY

Date: 1·6·16

By: _____
City Manager