

**EMPLOYMENT AGREEMENT
CITY MANAGER**

This Employment Agreement is made and entered into as of this 13th day of February 2013, by and between the City of Laguna Niguel, a municipal corporation, hereinafter the "City", and Rodney D. Foster, hereinafter "Foster."

R E C I T A L S:

1. The City of Laguna Niguel was incorporated on December 1, 1989.
2. The City requires the services of a city manager and the City Council has engaged in a recruitment process to select a city manager.
3. Foster has the necessary education, experience, skills and expertise to serve as the City's City Manager.
4. The City Council desires to employ Foster as the City Manager and has entered into negotiations with him for the purpose of entering into an employment agreement.
5. Foster desires to accept the employment as City Manager.
6. This Agreement is entered into pursuant to the authority of and subject to the provisions of Government Code Section 53260 *et seq.*

A G R E E M E N T:

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

1. **Employment**

City hereby appoints Foster as the City Manager and employs him in that position and Foster hereby accepts that appointment and employment. City shall, during the term of employment, pay to Foster the compensation and provide to Foster the benefits set forth in this Agreement.

2. **Duties**

(a) Foster shall serve as City Manager and perform those duties and have those responsibilities that are commonly assigned to a city manager of a city in California. The duties and responsibilities of the City Manager shall include the duties and responsibilities that are set

2/20/13

forth in the Laguna Niguel Municipal Code, including, but not limited to, Section 2-4-1 *et seq.*, and such other duties and responsibilities as the City Council may from time to time reasonably assign to the City Manager.

(b) Foster will devote all necessary time and effort to fulfill the obligations of the City Manager's position. The City acknowledges that Foster is reasonably expected to be available but does not have regularly set hours of work. Foster's work schedule will vary in accordance to the work required to be performed.

3. Term of Employment

(a) Initial Term

This Agreement shall become effective as of February 13, 2013. Under this Agreement, Foster's term of employment as City Manager shall be for five (5) years from March 25, 2013, and continue until March 24, 2018, unless sooner terminated as provided for in this Agreement.

(b) At-Will Employment

Consistent with Government Code Section 36506, Laguna Niguel Municipal Code Section 2-4-1, and Laguna Niguel City Council Resolution No. 2004-790, the parties expressly agree that the position of City Manager is an "at-will" employee, and that the City Manager serves at the will and pleasure of the Council. Nothing in this Agreement, any statute, ordinance, regulation or rule shall prevent, limit, or otherwise interfere with the right of the City Council to terminate, without cause or reason, the employment of Foster.

The City Council may, in its absolute discretion, terminate the employment of Foster as City Manager and terminate Foster's employment with the City without cause or reason at any time and without providing prior notice to Foster. The City Council is not required to provide a notice of causes or reasons for the termination and is not required to provide any type of hearing regarding the termination, including any type of "Skelly" hearing. If Foster is terminated, Foster shall have no right of appeal or grievance procedure.

(c) Procedures for Termination Without Cause

To terminate Foster's employment, the City, acting through the City Council, shall give Foster a written notice of the termination. The termination must be approved by three (3) members of the City Council at a regular meeting held in accordance with the Ralph M. Brown Act (California Government Code Section 54950 *et seq.*). If Foster's employment is terminated pursuant to this subparagraph, the City shall pay severance compensation as provided for in paragraph 6 of this Agreement. The City shall not be obligated to pay any other compensation damages for such termination.

2/20/13

(d) Resignation

Foster may resign from his employment as City Manager at any time upon giving thirty (30) days written notice to the City Council during the initial term of this Agreement, or any extension of it; provided, however, that notice shall not be required in the event Foster resigns pursuant to a request for resignation by the City Council.

(e) Change in Council Membership

Notwithstanding the other termination provisions of this Agreement, City agrees not to initiate termination of City Manager's employment within one hundred twenty (120) days following any City general or special election, or change in membership of the City Council.

(f) Automatic Termination

This Agreement, and Foster's employment, shall automatically terminate, and Foster shall not be entitled to any severance compensation upon the happening of any of the following events:

(1) Upon mutual agreement in writing by both parties to terminate this Agreement.

(2) Upon resignation given to City by Foster, except if the resignation is in response to a request for resignation from the City Council.

(3) Upon retirement from full time public service with the City, pursuant to applicable PERS laws, rules and regulations. If Foster retires, Foster will provide six (6) months advance notice. Foster's actual retirement date will be mutually established.

(4) Upon death of Foster.

(5) When Foster has been unable to perform substantially all of the essential terms of his position, with or without reasonable accommodation, due to illness or other disability for a period of three (3) months.

4. Automatic Annual Renewal

(a) This Agreement is for a five (5) year term. It will, pursuant to subparagraph (b), automatically extend from year to year unless the City Council takes action to prevent the automatic extension. In the event the City Council does not want this Agreement to automatically extend, it will provide written notice to Foster that the Agreement will not be extended and consequently will terminate as of the end of the then current term.

(b) If action is not taken by the City Council within nine (9) months before the expiration of the initial term of this Agreement on March 24, 2018, this Agreement shall on June 24, 2017, automatically extend for one (1) year from March 25, 2018, until March 24, 2019. For each succeeding year that the City Council does not take action to extend or terminate this Agreement by nine (9) months before the then current end of the Agreement, the Agreement shall automatically extend for an additional year. For example, if action is not taken by the City Council to extend or terminate the Agreement by June 24, 2018, the Agreement shall on that date automatically extend for one (1) year from March 25, 2019, to March 24, 2020, and if the City Council doesn't take action to extend or terminate this Agreement by June 24, 2019, it will automatically extend for one (1) year from March 25, 2020, to March 24, 2021.

5. Acts Entitling Foster to Severance Compensation

Foster shall be entitled to severance compensation in the amounts set forth in paragraph 6 upon the occurrence of any one of the following events:

(a) The City Council elects, pursuant to paragraph 4 above, to prevent the automatic extension of the term of this Agreement and Foster elects to treat such action as a termination of his employment under this Agreement and he timely complies with the provisions of this subparagraph. If the City Council takes such action and Foster desires to treat such action as a termination of his employment and receive severance compensation, he must so advise the City Council in writing of his decision within thirty (30) days of receiving notice of the City Council action and his employment shall terminate thirty (30) days after the date he gives this notice.

(b) The City terminates Foster without cause.

(c) The City reduces Foster's salary or other benefits in a greater percentage than applicable across-the-board reductions made by the City for other Executive and Management employees in the City and Foster elects to give sixty (60) days written notice of his resignation to the City Council. The written notification of resignation must be given within sixty (60) days of the reduction in Foster's salary or other benefits.

(d) The City Council requests the resignation of Foster, and Foster resigns pursuant to that request.

(e) The city manager form of government is abandoned by action of the City Council, vote of the people, state legislation, or by any other means.

(f) The position of city manager is eliminated by action of the City Council, vote of the people, state legislation, or by any other means.

6. Severance Compensation

(a) In the event Foster is terminated for a reason set forth in paragraph 5 of this Agreement, City shall pay to Foster as severance compensation a sum equal to the lesser of (i) six (6) months base salary ("Severance Months") or (ii) base salary for the number of months remaining on the term of this Agreement. For example, if Foster's employment is terminated on January 1, 2017, he would be entitled to six (6) months of severance compensation.

(b) As required by Government Code Section 53260, the following provision is included in this Agreement. Regardless of the term of this Agreement, if it is terminated, the maximum cash settlement that Foster may receive shall be an amount equal to his monthly salary multiplied by the number of months left on the unexpired term of this Agreement, and if the unexpired term of this Agreement is greater than six (6) months, the maximum cash settlement shall be an amount equal to the monthly salary of Foster multiplied by six (6).

(c) The payment of severance compensation pursuant to this paragraph shall, at the option of Foster, be in a lump sum, or shall be payable in equal monthly installments with the number of monthly installments equal to the number of months of severance compensation pay to which Foster is entitled by this paragraph.

(d) Foster and his dependents shall also receive continuing health insurance plan coverage for the duration of the Severance Months from the effective date of the termination. Pursuant to Government Code Section 53261, the continuing eligibility of Foster and his dependents for health insurance plan coverage shall terminate should Foster obtain other employment.

(e) Should Foster die before receiving all of the severance compensation provided for under this Agreement, the lump sum payment or the monthly installments elected by Foster, and the benefits under paragraph 6(d), shall be paid and provided to Foster's heirs, administrators, representatives or executors as provided by law. If at the time of Foster's death he has not elected a method of payment, payment of severance compensation shall be by equal monthly installments.

(f) Compliance with Government Code Section 53243 *et seq.* (Assembly Bill No. 1344).

(1) In the event City determines to place Foster on paid leave pending an investigation, Foster shall fully reimburse such pay to the City if he is subsequently convicted of a crime involving the abuse of his office or position.

(2) In the event the City determines to fund all or part of a legal criminal defense for Foster, he shall fully reimburse such funds to the City if he is subsequently convicted

of a crime involving an abuse of his office or position.

(3) Regardless of the term of this Agreement, if this Agreement is terminated, any cash settlement related to the termination that Foster may receive from the City shall be fully reimbursed to the City if Foster is convicted of a crime involving an abuse of his office or position. (Government Code Section 53243.2.)

(4) For purposes of this section, "abuse of office or position" shall be as defined in Government Code Section 53243.4.

7. Salary

(a) City agrees to pay Foster an annual base salary of \$220,000.00 payable in equal installments at the same time and in the same manner that other City employees are paid. This salary shall be effective as of March 25, 2013.

(b) The annual base salary shall be reviewed each fiscal year during the term of employment in approximately July of the year to determine whether Foster shall receive an increase in the annual base salary that year. The City Council may grant, in its sole discretion, an increase in the annual base salary.

(c) The annual base salary may be increased or reduced at the same time and in the same amounts as any across-the-board salary adjustments are imposed upon other Executive and Management employees in the City.

8. Other Benefits

(a) Car Allowance

City agrees to provide Foster with a monthly car allowance of \$625.00 per month.

(b) Performance Bonus

Each fiscal year, commencing with the fiscal year that starts on July 1, 2014, the City Council may grant to Foster a performance bonus. Whether or not to grant a bonus and the amount of any such bonus shall be in the sole discretion of the City Council. The decision by the City Council regarding the performance bonus shall be made for each fiscal year at the time the City Council is providing the performance evaluation of Foster required by paragraph 10 of this Agreement.

It is the understanding and intent of the City and Foster that performance bonuses are not reportable compensation to the State Public Employees Retirement System ("PERS"), and are not to be included in the calculation of Foster's PERS retirement allowance.

2/20/13

Performance bonuses are not added to the annual base salary.

(c) Retirement

Foster shall be a member of the City's retirement plan adopted and existing pursuant to contract with the State of California Public Employees Retirement System ("PERS"). City shall pay the full amount of the required employer's contribution for the benefit of Foster and Foster shall pay the full amount of the employee's required contribution.

(d) ICMA-RC Retirement

City shall pay, on behalf of Foster, \$15,000.00 per year to the ICMA-RC 457 Deferred Compensation Plan during the term of this Agreement. The City shall take all steps necessary to provide for Foster's participation in said Plan.

(e) Health and Dental Benefits

City shall provide Foster and his dependents with medical, health and dental insurance coverage in the same manner and with the same coverage as City provides to its Executive and Management employees.

(f) Life Insurance

City shall provide Foster with life insurance coverage by a term life insurance policy that is in the amount of \$250,000, and City shall pay the full amount of the premiums for said life insurance coverage.

(g) Vacation

Foster shall accrue vacation days at the rate of twenty (20) days per year.

Unused vacation leave accrued from one fiscal year may be carried over to the following fiscal year; provided however, the vacation leave accrual shall not exceed three hundred and sixty (360) hours.

As of the effective date of this Agreement, Foster shall have five (5) days of accrued vacation.

(h) Executive Leave

Foster shall be entitled to ten (10) days of executive leave each fiscal year, or portion thereof, during his term of employment. Any executive leave unused during a fiscal year

2/20/13

shall expire at the end of that year and shall not be carried over into succeeding fiscal years.

Upon separation, Foster shall not be entitled to any payment for unused executive leave.

(i) Sick Leave

Foster shall receive twelve (12) days per year excused absences at full pay for sick leave purposes. He shall be entitled to use sick leave and be entitled to payment for unused sick leave, as provided by the City Council for Executive and Management employees.

As of the effective date of this Agreement, Foster shall have five (5) days of accrued sick leave.

Upon separation, Foster shall not be entitled to payment for any unused sick leave.

(j) Disability Insurance

The City shall provide Foster with whatever short term disability or long term disability insurance programs or similar programs as it provides to other City Executive and Management employees.

(k) Subject to adopted City policies, the City shall pay for or provide Foster reimbursement for all actual and necessary business expenses.

(l) Housing Allowance and Assistance

It is understood that Foster intends to reside in the City of Laguna Niguel during his employment as City Manager, and that initially he will require a temporary residence while he is purchasing a permanent residence in the City and selling his existing residence in the City of Upland. Further, it is understood that the City Council desires that Foster reside within the City of Laguna Niguel and believes that such residence would be of benefit to the City and enhance Foster's performance as City Manager, and therefore, the City will pay Foster the following allowances and assistance in order to offset the costs and expenses he will incur in establishing temporary residence in the City, selling his existing Upland residence, acquiring a permanent residence in the City and moving to both his temporary and his permanent residences:

(1) Temporary Housing Allowance

The City shall reimburse Foster for the actual monthly expenses incurred and paid by Foster in renting temporary housing in the City of Laguna Niguel, including payment for utilities, in an amount not to exceed \$3,000 per month for the actual amount of time that he is required to maintain such temporary housing not to exceed six (6) months. This temporary

2/20/13

housing allowance shall only be applicable for the rental of housing located in the City of Laguna Niguel. In the event that he is required to maintain such temporary housing for in excess of six (6) months, the City is willing to consider the payment of the \$3,000 per month temporary housing allowance, or some portion of it, for additional months, but it is not obligated to pay any additional temporary housing allowances.

(2) Moving and Storage Costs

To assist Foster's move from the City of Upland to the City of Laguna Niguel, the City agrees to reimburse Foster for all reasonable expenses incurred for moving Foster's household goods and personal effects and those of Foster's spouse and minor children from Foster's current residence to a temporary residence and from the temporary residence to the new residence.

(3) Housing Assistance

If Foster purchases a residence in the City of Laguna Niguel, the City shall loan Foster up to \$850,000 for the purchase of the Laguna Niguel residence. Foster and the City shall negotiate in good faith to enter into a housing assistance agreement to provide for that loan. The housing assistance agreement shall include, but is not limited to, the following.

- i. The loan shall be fully secured by a first mortgage on the residence.
- ii. The loan shall bear interest at the rate of three percent (3%) per annum.
- iii. The loan shall be fully amortized over thirty (30) years.
- iv. The loan will not exceed ninety-five percent (95%) of the fair market value of the residence as determined by an independent qualified real estate appraiser.
- v. Foster shall, at a minimum, pay five percent (5%) of the purchase price from his own funds.
- vi. Loan payments shall be made monthly and shall be made by the City automatically withholding the amount of each monthly payment from Foster's salary for that month.
- vii. The loan can only be used for the purchase of the residence. It can't be used for any other purpose, such as paying off an existing mortgage on another property.

- viii. The loan shall be due and payable six (6) months after any of the following: Foster retires, the effective date of the termination of Foster's employment with the City or Foster ceases to use the residence as his primary residence.
- ix. The loan shall be due and payable in the event Foster, without prior written approval of the City, sells or further encumbrances or finances the residence or enters into any agreement to sell or further encumber or finance the residence.
- x. Foster shall be responsible for and pay all taxes imposed on the residence.
- xi. Foster shall provide customary homeowners insurance for the full amount of the purchase price and the City of Laguna Niguel shall be named on that insurance.
- xii. The loan and mortgage shall be made on the terms and conditions that are standard and commercially available for the purchase of residences in the City of Laguna Niguel and made with the loan and mortgage documents typically used for transactions for the purchase of residences in the City.
- xiii. The loan agreement and all other required documents are subject to the review and approval of the Laguna Niguel City Council.

(4) No reimbursements or payments shall be made pursuant to this paragraph until they have been reviewed and approved by the City's Director of Finance and the City Attorney.

(m) General City Benefits

Foster shall be entitled to receive all benefits as they now exist or may hereinafter be provided to other Executive and Management employees of the City, except when such other benefits are inconsistent with or contrary to provisions of this Agreement.

9. Professional Development

In addition to those benefits covered under paragraph 8 of this Agreement, City desires to encourage Foster's continuing professional development and agrees to budget and pay for those professional dues and subscriptions, and travel and subsistence expenses for such conferences, seminars, courses, institutes, and meetings that Foster deems desirable for his professional development and for the good of the City.

10. Performance Evaluation

The City shall review and evaluate the performance of Foster at least once annually at a time mutually agreed to between the City Council and Foster. Said review and evaluation shall be conducted in accordance with procedures and forms and with respect to specific criteria to be developed jointly by Foster and the City Council. Said review and evaluation shall be private and confidential, and the results shall be summarized and discussed in closed session, to the extent permitted by law, or through some other mutually acceptable closed format. The parties agree that the primary purposes of such evaluation are to facilitate open and frank discussion, define roles and expectations, identify performance strengths and weaknesses, and to provide an opportunity for Foster to take affirmative action to address weaknesses and areas needing improvement.

11. Exclusive Employment

Foster shall devote all of his time, energy and efforts to the City, and shall accept no outside employment, but the foregoing shall not limit Foster in teaching, writing, lecturing, or consulting, but only to the extent that such activities do not interfere with his duties as set forth in this Agreement.

12. Termination for Cause

Notwithstanding any provision of this Agreement to the contrary, City may terminate Foster's employment for cause at any time and without prior notice, and if Foster is terminated for cause, he shall not be entitled to payment of severance compensation or any other compensation or damages. "Cause" shall include the following reasons.

(a) Foster violates paragraph 3(d) (Resignation Without Providing the Required Notice) or paragraph 11 (Exclusive Employment) of this Agreement.

(b) Conviction of a crime, whether misdemeanor or a felony, involving moral turpitude. For purposes of this paragraph, a plea of nolo contendere shall also be considered a conviction.

(c) Foster is determined by a court of competent jurisdiction or the State of California Fair Political Practices Commission to have knowingly and unlawfully participated in a governmental decision in which he had a conflict of interest as defined in Government Code Section 87100 *et seq.* or Government Code Section 1090 *et seq.*

(d) Failure to follow a lawful directive of the Council after written notice of said failure is provided to City Manager approved by three (3) or more affirmative votes of its five (5) members.

(e) Continued abuse of drugs or alcohol that materially affects the performance of the City Manager's duties.

(f) Repeated and protracted unexcused absences from the City Manager's office and duties.

13. Indemnification

City agrees to defend, hold harmless, and indemnify Foster against any claims, demands or legal actions, whether groundless or otherwise, arising out of an alleged act or omission occurring within the scope and during the course of Foster's employment with the City, subject to Foster cooperating in good faith with the City with respect to defense of such claims, demands, or legal actions in accordance with the provisions of California Government Code Sections 825 and 825.6. City may compromise and settle any such claim, demand, or action and pay the amount of any settlement or judgment rendered therefrom. This covenant shall survive the termination of this Agreement.

14. Notices

Any notice to be given hereunder by either party to the other in writing may be effected either by personal delivery or by mail. Mailed notices shall be addressed to the address of the parties to be notified which appears below, but each party may change its address by written notice given in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual receipt. Mailed notices will be deemed communicated and received as of five (5) calendar days following the date of mailing of the notice.

CITY: City of Laguna Niguel
Attn: Mayor
30111 Crown Valley Parkway
Laguna Niguel, California 92677

EMPLOYEE: Rodney D. Foster
30111 Crown Valley Parkway
Laguna Niguel, California 92677

15. Entire Agreement

This Agreement represents the entire agreement between the parties and supersedes any and all agreements, either oral or in writing, between the parties with respect to the employment of Foster by City and contains all of the covenants and agreements between the parties with respect to that employment. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by either party, or anyone acting on behalf of either party, which are not embodied herein, and that

2/20/13

no other agreement, statement or promise not contained in this Agreement shall be valid or binding on either party.

16. Modifications

Any modifications to this Agreement shall be effective only if in writing and signed by both the parties hereto.

17. Effect of Waiver

The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other party shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

18. Partial Invalidity

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

19. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California in full force and effect as of the date of execution.

20. Attorney's Fees

In the event of any legal action between the parties hereto to enforce the provisions of this Agreement, the prevailing party shall be entitled to attorney's fees and costs.

21. Representations

City and Foster each represent and warrant to the other that each has received legal advice from independent and separate legal counsel with respect to this Agreement, or has knowingly declined to obtain such legal advice, and further represent and warrant to each other that each has carefully reviewed this Agreement and each and every term hereof. This Agreement shall not be construed against the party or its representatives who draft it or any portion hereof.

22. Counterparts

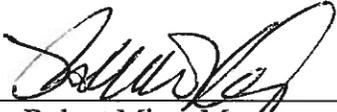
This Agreement may be executed on separate copies, any one of which need not contain signatures of more than one party but all of which taken together shall constitute one and the same Agreement.

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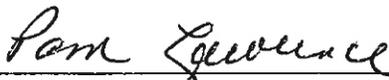
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first herein written above.

"CITY"

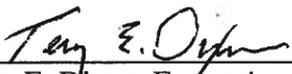
CITY OF LAGUNA NIGUEL

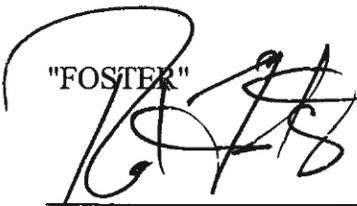
By: 
Robert Ming, Mayor

ATTEST:


Pam Lawrence
Deputy City Manager/Acting City Clerk

APPROVED AS TO FORM BY THE
CITY ATTORNEY FOR THE
CITY OF LAGUNA NIGUEL


Terry E. Dixon, Esq. 2/22/13

"FOSTER"

Rodney D. Foster

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT
CITY MANAGER

This First Amendment is made and entered into as of this 3rd day of November, 2015, by and between the City of Laguna Niguel, a municipal corporation, hereinafter the "City," and Rodney D. Foster, hereinafter "Foster."

R E C I T A L S:

1. The City and Foster entered into an Employment Agreement effective February 13, 2013, pursuant to which Foster was employed as the City Manager of the City of Laguna Niguel.
2. The Employment Agreement sets forth the compensation, benefits and terms and conditions of the employment of Foster as the City Manager.
3. City Manager Foster has been employed as City Manager for approximately two and half years.
4. Based on Foster's performance as City Manager, the City Council desires to extend the term for the Employment Agreement and increase the City Manager's salary.

A G R E E M E N T:

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

1. Paragraph 3 (Term).

Subparagraph (a), which provides for the Initial Term is amended to read as follows:

- (a) This Agreement became effective as of February 13, 2013. The Initial Term of Foster's employment as City Manager was for five (5) years from March 25, 2013, until March 24, 2018, unless sooner terminated provided for in the Agreement. The term is extended to December 31, 2020.

2. Paragraph 4 (Automatic Annual Renewal).

Subparagraph (a) of Paragraph 4 on Automatic Annual Renewal is amended to read as follows:

- (a) The Initial Term of the Agreement was for five (5) years. That term is extended until December 31, 2020. The Term will, pursuant to subparagraph (b), automatically extend from year to year unless the City Council takes action to prevent the automatic extension. In the event the City Council does not want the

Agreement to automatically extend, it will provide written notice to Foster that the Agreement will not be extended and, consequently, will terminate as of the end of the then current term.

Subparagraph (b) of Paragraph 4 on Automatic Annual Renewal is amended to read as follows:

- (b) If action is not taken by the City Council by nine (9) months before the expiration of the initial term of this Agreement on December 31, 2020, this Agreement shall on April 1, 2020, automatically extend for one (1) year from December 31, 2020, until December 31, 2021. For each succeeding year that the City Council does not take action to extend or terminate this Agreement by nine (9) months before the then current end of the Agreement, the Agreement shall automatically extend for an additional year. For example, if action is not taken by the City Council to extend or terminate the Agreement by April 1, 2020, the Agreement shall on that date automatically extend for one (1) year from December 31, 2020, to December 31, 2021, and if the City Council doesn't take action to extend or terminate this Agreement by April 1, 2021, it will automatically extend for one (1) year from December 31, 2021, to December 31, 2022.

3. Paragraph 7. (Salary).

Subparagraph (d) is added to Paragraph 7 on Salary, to read as follows:

Having followed the procedures set forth in subparagraph (b), Foster's salary is changed as follows:

Effective January 1, 2016, Foster's salary is increased to \$19,398.36 per month for a total annual salary of \$232,780.32.

Effective January 1, 2017, Foster's salary is increased to \$19,786.33 per month for a total annual salary of \$237,435.96.

4. Continuing Effect of Employment Agreement.

Except as amended in this First Amendment to the Employment Agreement for the City Manager, all the terms and conditions of that Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties have executed this First Amendment as of the date first herein written above.

"CITY"

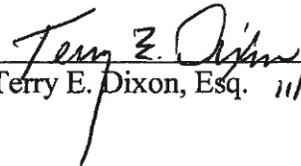
CITY OF LAGUNA NIGUEL

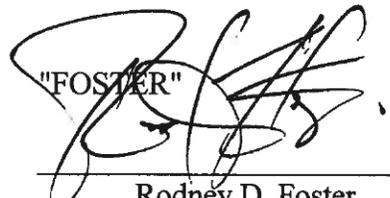
By: 
Jerry McCloskey, Mayor

ATTEST:


Eileen C. Gomez, City Clerk

APPROVED AS TO FORM BY THE
CITY ATTORNEY FOR THE
CITY OF LAGUNA NIGUEL


Terry E. Dixon, Esq. 11/4/15

"FOSTER"

Rodney D. Foster