ECONOMIC DEVELOPMENT DIRECTOR EMPLOYMENT AGREEMENT

This ECONOMIC DEVELOPMENT DIRECTOR EMPLOYMENT AGREEMENT (hereinafter referred to as the "AGREEMENT") is entered into and made effective the 18th day of March 2025, by and between the CITY OF BEAUMONT, (hereinafter referred to as the "CITY"), and Kirk Pelser, an individual (hereinafter referred to as "EMPLOYEE"). For purposes of this AGREEMENT, CITY and EMPLOYEE may be collectively referred to as the "Parties" or individually as a "Party."

RECITALS

ECONOMIC DEVELOPMENT DIRECTOR

WHEREAS, based on EMPLOYEE's executive and administrative qualifications and ability, the CITY MANAGER desires to appoint EMPLOYEE to serve as the ECONOMIC DEVELOPMENT DIRECTOR for CITY; and

WHEREAS, EMPLOYEE desires to perform and assume responsibility for the provision of ECONOMIC DEVELOPMENT DIRECTOR services to CITY; and

WHEREAS, the Parties wish to establish the terms and conditions of EMPLOYEE's provision of professional services to CITY through this AGREEMENT.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, CITY and EMPLOYEE hereby agree as follows:

1. POSITION, DUTIES AND TERM.

- 1.1 <u>Incorporation of Recitals</u>. The above recitals are incorporated herein and made a part of this Agreement.
- 1.2 <u>Position</u>. EMPLOYEE accepts employment with CITY as its ECONOMIC DEVELOPMENT DIRECTOR and shall perform all functions, duties and services set forth in Section 1.5 (Duties) of this Agreement.
- 1.3 <u>Effective Date of Agreement/Term</u>. This Agreement is for an unspecified term and is subject to the "At-Will" provision in Section 1.4 and termination provision in Section 4.

1.4 Employment with CITY "At-Will".

(a) EMPLOYEE's employment status with CITY shall be at-will and terminable with or without cause, at the CITY'S unilateral discretion. EMPLOYEE shall serve at the pleasure of the City Manager. EMPLOYEE acknowledges, understands and agrees that EMPLOYEE may not avail himself/herself of any procedures, provisions or protections set forth under CITY's Employment Policies, as defined herein, in so far as such procedures, provisions or protections limit, restrict, modify, prohibit or regulate EMPLOYEE's status as an "at-will"

employee of CITY or the ability of the City Manager to terminate EMPLOYEE's employment at any time for cause or for convenience and without cause. For purposes of this Agreement, the capitalized term "Employment Policies" means and refers to any ordinance, resolution, regulation, rule, memorandum of understanding, or other written policy of CITY as the same may be amended, modified or supplemented from time-to-time, and any written employment manual of the CITY which governs, regulates or otherwise relates to employment with CITY. CITY's Employment Policies shall not apply to EMPLOYEE in so far as such Employment Policies limit, restrict, modify or regulate (or may be interpreted to limit, restrict, modify or regulate) EMPLOYEE's status as an "at-will" employee of CITY. EMPLOYEE shall otherwise comply will all Employment Policies established by the CITY.

- (b) Except as otherwise provided under Section 4 (Termination) of this Agreement, EMPLOYEE shall not be entitled to any pre-termination hearing or other similar proceeding or appeal proceeding as a precondition to any decision or action by the City Manager to terminate EMPLOYEE's employment whether for cause or for convenience and without cause. EMPLOYEE shall also not be entitled to any post-termination appeal proceedings.
- (c) Nothing in this Agreement shall confer upon EMPLOYEE any right to any property interest in continued employment with CITY.
- EMPLOYEE shall serve as the ECONOMIC DEVELOPMENT 1.5 Duties. DIRECTOR and shall be vested with the powers, duties and responsibilities of the ECONOMIC DEVELOPMENT DIRECTOR as set forth in Exhibit "A" as well as the Beaumont Municipal Code, as the same may be amended or modified from time-to-time by the City Council, the California Code, and CITY's policies and procedures approved by the City Council, as may be provided from time to time. EMPLOYEE's performance of EMPLOYEE's duties shall be subject to the direction of the City Manager. It is the intent of the Parties that the ECONOMIC DEVELOPMENT DIRECTOR keeps the City Manager fully informed of all significant operations or major undertakings of the Economic Development Department ("Department"). EMPLOYEE shall provide the City Manager with regular status reports on the operations and activities of EMPLOYEE'S Department. EMPLOYEE shall perform such duties as are customary and appropriate to the position of ECONOMIC DEVELOPMENT DIRECTOR as well as such special duties as may be assigned to ECONOMIC DEVELOPMENT DIRECTOR from time to time by the City Manager. Notwithstanding EMPLOYEE's duties as ECONOMIC DEVELOPMENT DIRECTOR, nothing in this Agreement shall be construed to prohibit direct communications between the City Manager and employees within EMPLOYEE'S Department. EMPLOYEE shall attend all City Council meetings, unless excused or directed otherwise by the City Manager.
- 1.6 <u>Work Hours</u>. The position of ECONOMIC DEVELOPMENT DIRECTOR is an exempt position under state and federal wage and hour laws. EMPLOYEE's compensation (whether salary or benefits or other allowances) is not based on hours worked. EMPLOYEE shall not be entitled to any compensation for overtime, missed meal or rest periods, reporting time, or any other wage and hour benefits conferred upon non-exempt employees under state or federal wage and hour laws, including regulations propounded in applicable Industrial Welfare Orders. EMPLOYEE is expected to engage in those hours of work that are necessary to fulfill the

obligations of the ECONOMIC DEVELOPMENT DIRECTOR's position. The ECONOMIC DEVELOPMENT DIRECTOR does not have set hours of work as the ECONOMIC DEVELOPMENT DIRECTOR is expected to be available at all reasonable and relevant times.

- 1.7 Regional and Professional Activities. CITY desires that EMPLOYEE be reasonably active in professional organizations that will promote the standing of CITY and advance CITY's goals, interests and policy objectives while also providing EMPLOYEE with opportunities for the type of professional development that will enhance EMPLOYEE'S ability to serve CITY and perform EMPLOYEE'S duties as ECONOMIC DEVELOPMENT DIRECTOR. Toward this end, EMPLOYEE may, upon reasonable notice and approval by the City Manager, join professional organizations and participate in the activities of such organizations in so far as such participation promotes the interests of CITY and does not unduly interfere with the performance of EMPLOYEE's duties as ECONOMIC DEVELOPMENT DIRECTOR. CITY agrees to budget and, consistent with that budget, pay for the dues, conference and travel fees, and subscriptions of the ECONOMIC DEVELOPMENT DIRECTOR necessary for EMPLOYEE'S participation in national, statewide, regional or professional organizations.
- 1.8 Non-CITY Activities. In accordance with Government Code Section 1126, during the period of EMPLOYEE'S 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 1.7 (Regional and Professional Activity), whether or not for pecuniary advantage, that is or may be competitive with CITY, that might cause a conflict of interest with CITY, or that otherwise might interfere with the business or operation of CITY or the satisfactory performance of EMPLOYEE's duties as ECONOMIC DEVELOPMENT DIRECTOR.
- 1.9 <u>Restriction on Outside Business Activities</u>. During his employment, EMPLOYEE shall devote his full business time, energy, and ability exclusively to the business and interests of CITY, and shall not, without prior written consent of City Manager, render services to others of any kind for compensation, or engage in other business activity that would materially interfere with the performance of EMPLOYEE'S duties under this Agreement, except that:
- (a) The expenditure of reasonable amounts of time, not in conflict with the CITY'S needs and interests, for educational, charitable, Economic, and professional enhancement activities, shall not be deemed a breach of this Section 1.9 and shall not require prior consent; and
- (b) This Agreement shall not be interpreted to prohibit EMPLOYEE from making passive, personal investments or conducting private affairs in those activities that do not materially interfere with the EMPLOYEE'S duties under this Agreement or create or result in conflicts of interests with CITY.

2. <u>COMPENSATION AND BENEFITS AND REIMBURSEMENTS</u>.

- Base Salary. Commencing on the employees start date, EMPLOYEE shall receive a base annual salary of Two Hundred Eight Thousand Three Hundred Seventy Four and Thirty Six cents (\$208,374.36) per year, (hereinafter, the "Base Salary"). The Parties understand and agree that the amount of the Base Salary, as preliminarily established for the year 2025, may be adjusted from time-to-time by the CITY MANAGER following a performance evaluation, as provided for in Section 2.2 (below). In no event shall EMPLOYEE's base salary adjust automatically pursuant to any mechanism, and in no event shall EMPLOYEE's base salary exceed the maximum amount approved by the City Council, including in the CITY's Salary Chart or any other salary table or other document that may be adopted by the City Council in the future. The Base Salary shall be payable in bi-weekly installments at the same time and in the same manner as other management employees of CITY. EMPLOYEE's salary shall be subject to customary withholding for taxes and other required deductions.
- 2.2 <u>Performance Review</u>. Annually on or before the anniversary date of execution of this Agreement, the City Manager will undertake a job performance review of EMPLOYEE. In connection with such performance review, the City Manager may consider any adjustments in EMPLOYEE's compensation consistent with the CITY's Salary Chart. The failure of CITY to undertake a performance evaluation shall not limit CITY's ability to terminate this Agreement pursuant to Section 4 (Termination).
- 2.3 <u>Benefits</u>. In addition to Base Salary, CITY shall also provide EMPLOYEE with the following benefits:
- (a) <u>Cafeteria Plan, Dependent Care Flexible Spending Account, Life and Short Term Disability Insurance, Vacation Accrual, Sick Leave, Public Employees Retirement System (PERS) Eligibility, and Reimbursements</u>. EMPLOYEE shall be provided with these benefits to the same extent as those benefits are provided to the members of the Non-represented Managers Group, whether as described in the Managers Group MOU referred to in the Recitals or in the City's Employment Policies, whichever is applicable, as those documents may be modified or amended from time to time.
- 2.4 <u>Vehicle Allowance</u>. EMPLOYEE shall be provided, during the term of this Agreement and in addition to other salary and benefits herein provided, the sum of three hundred fifty dollars (\$350.00) a month, as a vehicle allowance to be used to purchase, lease or own, operate and maintain a vehicle. EMPLOYEE shall be responsible for paying for liability, property damage and comprehensive insurance coverage upon such vehicle and shall further be responsible for all expenses attendant to the purchase, operation, maintenance, repair and regular replacement of said vehicle
- 2.5 <u>Jury Duty</u>. EMPLOYEE will receive Base Salary and benefits while responding to a jury summons or serving on a jury. Any compensation for such jury duty (except travel pay) shall be remitted to CITY.
- 2.6 <u>Business Related Equipment</u>. CITY shall also provide EMPLOYEE a smart phone and personal computer (at work) for use in connection with CITY business. CITY shall be responsible for maintenance of said items.

- 2.7 <u>Participation in Additional CITY Programs</u>. EMPLOYEE shall be eligible to participate in any other CITY programs/employment benefits to the extent they are offered to non-represented CITY management employees, including but not limited to, the bilingual program or deferred compensation plan.
- 2.8 <u>Administrative/Personal Leave</u>. EMPLOYEE shall be allocated a maximum of forty (40) hours of administrative/personal leave on July 1st of each CITY fiscal year. The maximum amount of administrative/personal leave that EMPLOYEE may accrue at any given time may not exceed eighty (80) hours total. EMPLOYEE may request payment of up to forty (40) hours banked administrative leave pay, to be paid by separate check, per calendar year. Requests for payment of banked administrative leave pay should be submitted in accordance with the procedure stated in the Managers Group MOU.

3. <u>ILLNESS OR INJURY; DISABILITY AND DEATH.</u>

- 3.1 <u>Cessation of Work Due to Injury or Disability</u>. In addition to any right of termination set forth under Section 1.3 (Employment With CITY "At-Will"), above, CITY also reserves the right to terminate EMPLOYEE's employment along with this Agreement if EMPLOYEE ceases to work as a result of injury or disability which results in Employee being unable to perform the essential duties of the ECONOMIC DEVELOPMENT DIRECTOR position, with or without accommodation, for a period of six (6) consecutive months or more, as documented by a healthcare provider. The foregoing notwithstanding, CITY may terminate EMPLOYEE if, in the CITY'S unilateral discretion, the disability poses a direct threat to the safety of CITY, EMPLOYEE or any other employees working for CITY and any reasonable accommodation attempted by CITY would not mitigate or eliminate such a threat. CITY will not provide a severance payment if EMPLOYEE is terminated under this Section of this Agreement.
- 3.2 <u>Compensation for Work-Related Illness or Injury.</u> In the event EMPLOYEE suffers a physical or mental illness or disability arising out of the course of employment, EMPLOYEE's exclusive remedy or remedies against CITY for such illness, injury or disability shall be those legally allowed under the workers' compensation laws of the State of California. The Parties further agree that the California Workers Compensation Appeals Board shall be the exclusive venue for any claim of physical or mental illness or disability arising out of the course of EMPLOYEE'S employment with the CITY.
- 3.3 <u>Medical Examination.</u> EMPLOYEE agrees to submit to a medical and/or psychological examination by a qualified physician or psychiatrist selected by CITY, in the event the CITY determines a medical and/or psychological examination is needed to make a decision under Sections 3.1 through 3.2. CITY and EMPLOYEE shall receive a copy of all medical reports related to the examination.
- 3.4 <u>Death of Employee.</u> This Agreement along with EMPLOYEE's employment shall terminate automatically upon EMPLOYEE's death.

3.5 <u>Compensation Upon Termination</u>. Except as otherwise provided under this Agreement, if EMPLOYEE's employment is terminated pursuant to this Section 3 (Illness or Injury; Disability and Death), CITY shall pay EMPLOYEE all Base Salary, benefits, and compensation due and owing EMPLOYEE through the last day actually worked. If termination is caused by EMPLOYEE's death, CITY shall provide the compensation and benefits otherwise due EMPLOYEE to EMPLOYEE's executor, administrator, heirs, personal representatives, successors, and assigns. CITY will not provide for severance pay if EMPLOYEE is terminated under the provisions of Section 3.1 through 3.5, above.

4. TERMINATION.

- 4.1 <u>Termination by CITY for Convenience and Without Cause</u>. EMPLOYEE is appointed and serves at the pleasure of the CITY as an at will employee. The CITY may terminate EMPLOYEE at any time for convenience and without cause. In the event EMPLOYEE is terminated without cause, at or during such time that EMPLOYEE is willing and able to perform his duties under this AGREEMENT, then in that event, CITY agrees to pay EMPLOYEE a severance equal to six months base salary, less any and all applicable or legally required deductions, provided EMPLOYEE has executed a full and final release of any and all actual or potential claims (including Civil Code Section 1542 release) that EMPLOYEE has or could have against CITY, its officials, employees and agents, acceptable to city in form and content. Notwithstanding anything herein to the contrary, the maximum severance EMPLOYEE may receive under this AGREEMENT shall not exceed the limitations provided for in Government Code Section 53260-53264 or other applicable law.
- 4.2 <u>Termination by Employee</u>. EMPLOYEE may terminate EMPLOYEE'S employment for any reason, and at any time, with or without cause, by providing CITY with written notice. EMPLOYEE shall not receive a "severance payment" in the event EMPLOYEE terminates his/her employment with CITY pursuant to this Section 4.2.
- Termination for Cause by CITY. CITY may immediately terminate EMPLOYEE's employment with CITY and this Agreement at any time by providing EMPLOYEE written notice of EMPLOYEE'S termination for cause and the reason(s) for the termination, and an opportunity for a discussion with the City Manager or the City Manager's designee. In the event the City Manager and EMPLOYEE are unable to resolve any disagreement regarding the cause for EMPLOYEE'S termination, the Parties agree to binding arbitration as provided in Section 6. No "severance payment" shall be paid in the event EMPLOYEE's employment is terminated for cause, except that CITY shall pay EMPLOYEE for EMPLOYEE'S accrued and unused vacation, sick and administrative leave, as provided for in this Agreement. The term "cause" shall be defined to include any misconduct materially related to performance of official duties, including but not be limited to any of the following: 1) breach of this AGREEMENT, 2) willful or persistent breach of duties, 3) resume fraud or other acts of material dishonesty, 4) unauthorized absence or leave not otherwise supported by valid documentation from a healthcare provider, 5) conviction of a misdemeanor involving moral turpitude (i.e., offenses contrary to justice, honesty, or morality), conviction of a misdemeanor DUI, or conviction of a felony under California law (the CITY may, in its discretion, place EMPLOYEE on paid or unpaid administrative leave until resolution of charges brought against EMPLOYEE), 6) violation of the

CITY's anti-harassment policies and/or a finding that EMPLOYEE engaged in legally prohibited personal acts of harassment, discrimination, and/or retaliation against a CITY official, CITY employee, or any individual protected by state or federal laws prohibiting harassment, discrimination, and/or retaliation, 7) violation of the CITY's Municipal Code, ordinances, rules or regulations, including but not limited to the CITY's Rules and Regulations and Administrative Policies, 8) use or possession of illegal drugs, 9) engaging in conduct tending to bring embarrassment or disrepute to the CITY, 10) any illegal or unethical act involving personal gain, 11) pattern of repeated, willful and intentional failure to carry out materially significant and legally constituted directions or policy decisions of the City Council or City Manager, and 12) gross misfeasance or gross malfeasance. If the CITY terminates for cause this AGREEMENT and the services of EMPLOYEE hereunder, EMPLOYEE shall not be entitled to assume any further position or employment with the CITY.

- 4.4 <u>Termination Obligation</u>. EMPLOYEE agrees that all property, including without limitation, all equipment, tangible, Proprietary Information (as defined below), documents, records, notes, contracts, and computer-generated materials furnished to or prepared by EMPLOYEE incident to EMPLOYEE'S employment are the property of CITY and shall be returned promptly to CITY upon termination of EMPLOYEE's employment. EMPLOYEE's obligations under this subsection shall survive the termination of EMPLOYEE'S employment and the expiration or early termination of this Agreement.
- 4.5 <u>Benefits Upon Termination</u>. All benefits to which EMPLOYEE is entitled under this Agreement shall cease upon EMPLOYEE's termination in accordance with this Section 4 (Termination), unless expressly continued under this Agreement, under any specific written policy or benefit plan applicable to EMPLOYEE, under any other agreement for the continued provision of benefits, or unless otherwise required by law.

5. CONFLICT OF INTEREST.

5.1 EMPLOYEE shall not, during the term of this Agreement, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business in the corporate limits of CITY, except for stock ownership in any company whose capital stock is publicly held and regularly traded, without prior approval of the City Manager and City Council. EMPLOYEE shall also be subject to the conflict of interest provisions of the Government Code of the State of California, the CITY's Municipal Code, and any other conflict of interest regulations applicable to EMPLOYEE's employment with CITY. For and during the Term of this Agreement and any extension term, EMPLOYEE further agrees that except for a personal residence or residential property acquired or held for future use as EMPLOYEE'S personal residence, EMPLOYEE will not invest in any other real estate or property improvements within the corporate limits of CITY without the prior consent of the City Manager and City Council.

6. ARBITRATION OF DISPUTES.

Any claim, dispute, or controversy which would otherwise require or allow resort to any court or other governmental dispute resolution forum between EMPLOYEE and CITY arising from, related to, or having any relationship or connection whatsoever with Employees employment or the terms of this Agreement, whether based on tort, contract, statutory, or equitable law, or otherwise, shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act, in conformity with the procedures of the California Arbitration Act (Cal. Code Civ. Proc. sec 1280 et seq.), including section 1283.05 and all of the Acts other mandatory and permissive rights to discovery); provided, however, that: in addition to requirements imposed by law, any arbitrator herein shall be a retired California Superior Court Judge and shall be subject to disqualification on the same grounds as would apply to a judge of such court. If for any reason the Parties cannot agree to an arbitrator, either Party may apply to a court of competent jurisdiction with authority over the location where the arbitration will be conducted for appointment of a neutral arbitrator. The court shall then appoint an arbitrator, who shall act under this agreement with the same force and effect as if the Parties had selected the arbitrator by mutual agreement. The arbitrator shall then prescribe the rules and procedures for the arbitration process in accordance with laws that are applicable to the claim being raised. EMPLOYEE understands that by agreeing to this binding arbitration provision, both CITY and EMPLOYEE give up their right to a trial by jury.

7. **GENERAL PROVISIONS.**

7.1 <u>Notices.</u> 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 or at the last known address maintained in EMPLOYEE personnel file. EMPLOYEE agrees to notify CITY in writing of any change in EMPLOYEE'S address during EMPLOYEE'S 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 Beaumont 550 East Sixth Street Beaumont, CA 92223

ECONOMIC DEVELOPMENT DIRECTOR's Notice Address:

Kirk Pelser				
(Last listed ac	ddress in e	mployee	's personn	el file)

7.2 <u>Bonding</u>. CITY shall bear the full cost of any fidelity or other bonds required of the ECONOMIC DEVELOPMENT DIRECTOR to perform his duties under any laws or ordinance.

- 7.3 Entire Agreement. 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. However, as noted in Section 2.7 above, EMPLOYEE shall be eligible to participate in any other CITY programs/employment benefits to the extent they are offered to non-represented CITY employees.
- 7.4 <u>Amendments</u>. Except as otherwise provided herein, this Agreement may not be amended except in a written document signed by EMPLOYEE, approved by the City Manager and signed by the City Attorney.
- 7.5 <u>Waiver</u>. Failure to exercise any right under this Agreement shall not constitute a waiver of such right.
- 7.6 <u>Assignment</u>. 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.
- 7.7 <u>Severability</u>. If any court of competent jurisdiction holds any provision of this Agreement to be invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force and effect.
- 7.8 <u>Governing Law</u>. This Agreement is entered into and is to be performed in Riverside County, California and shall be governed by and construed in accordance with the controlling laws of the State of California or federal law, whichever is applicable, and the Parties agree that venue shall be in Riverside County, California.
- 7.9 <u>Interpretation</u>. 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.

7.10 Statutory Obligations

a. Abuse of Office or Position. Pursuant to California Government Code Sections 53243, 53243.1 and 53243.2, which became effective on January 1, 2012, if EMPLOYEE is convicted of a crime involving an abuse of EMPLOYEE'S office or position, all of the following shall apply: (1) if EMPLOYEE is provided with an administrative leave pay pending an investigation, EMPLOYEE shall be required to fully reimburse such amounts paid by CITY; (2) if CITY pays for the criminal legal defense of EMPLOYEE (which would be in its sole discretion,

as CITY is generally not obligated to pay for a criminal defense), EMPLOYEE shall be required to fully reimburse such amounts paid by CITY; and (3) if this Agreement is terminated, any cash settlement related to the termination of EMPLOYEE by CITY, said amount shall be fully reimbursed to CITY or shall be void if not yet paid to EMPLOYEE. For this Section, abuse of office or position means either: (1) an abuse of public authority, including waste, fraud, and violation of the law under the color of authority; or (2) a crime against public justice, including a crime described in Title 7 commencing with section 92 of the California Penal Code.

- b. <u>Maximum Cash Settlement Upon Termination of Agreement</u>. Pursuant to California Government Code Sections 53260 and 53261, regardless of the term of this Agreement, if the Agreement is terminated and a dispute arises regarding the termination, the maximum cash settlement that EMPLOYEE may receive shall be equal to the monthly salary of EMPLOYEE multiplied by eighteen and shall not include any other noncash items except health benefits, which may be continued for the same duration of time (18 months) or until employee finds other employment, whichever occurs first.
- 7.11 <u>Incorporation of Recitals</u>. The Parties repeat and incorporate the recitals set forth above as if fully set forth herein.
- 7.12 <u>Acknowledgment</u>. EMPLOYEE acknowledges that EMPLOYEE has had the opportunity to consult legal counsel in regard to this Agreement, that EMPLOYEE has read and understands this Agreement, that EMPLOYEE is fully aware of its legal effect, and that EMPLOYEE has entered into it freely and voluntarily and based on EMPLOYEE'S own judgment and not on any representations or promises other than those contained in this Agreement.

"CITY"	"EMPLOYEE"
CITY OF BEAUMONT	Kirk Pelser
By: City Manager, Elizabeth Gibbs	
ATTEST:	
By: City Clerk, Elaine Morgan	