

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("AGREEMENT") is entered into this 15th day of March, 2011, between the City of El Segundo ("CITY") and Douglas Willmore ("EMPLOYEE").

SECTION 1. TERM

EMPLOYEE shall commence employment as city manager for CITY on April 16, 2011. Except as otherwise provided for in this AGREEMENT, EMPLOYEE's employment with CITY shall be on an at-will basis and will continue until terminated as provided in this AGREEMENT

SECTION 2. DUTIES

EMPLOYEE shall perform to EMPLOYEE's best ability the duties and functions of the City Manager of the CITY, as defined by California state law and CITY Ordinances, Resolutions and Personnel Rules and Regulations, including without limitation acting as the CITY's highest ranking administrative officer and management employee, and shall perform such other legally permissible duties and acts as the CITY Council may direct from time to time.

SECTION 3. TERMINATION OF EMPLOYMENT

(A) Through and including April 30, 2014, CITY may only terminate this AGREEMENT based upon (i) EMPLOYEE's willful misconduct, including without limitation, intentionally failing to fulfill EMPLOYEE's duties set forth in SECTION 2 of the AGREEMENT; or (ii) EMPLOYEE's conviction or commission of a crime involving moral turpitude; or (iii) without cause at any time. However, if CITY elects to terminate the AGREEMENT without cause such that the termination date would occur before April 30, 2014, and the EMPLOYEE delivers to the City an executed copy of the Separation and Release Agreement in the form attached hereto as Exhibit A within 30 days of his termination, the City must pay EMPLOYEE a lump sum amount equal to the lesser of (i) the amount of base pay that EMPLOYEE would have earned through April 30, 2014 or (ii) six months of EMPLOYEE's base salary.

(B) EMPLOYEE may terminate this AGREEMENT at any time upon thirty-days written notice to the Mayor of CITY or the City Attorney. EMPLOYEE's resignation shall be deemed accepted upon delivery of resignation to the Mayor or the City Attorney. EMPLOYEE shall not be entitled to any compensation upon such a termination except as set forth in Section 3 (C);

(C) Upon any termination of this EMPLOYEE's employment, CITY shall pay EMPLOYEE upon the effective date of such termination, an amount equal to the value of the employee's accumulated, but unpaid and unused vacation and sick time in accordance with the vacation and sick time cash out policies applicable to the Management/Confidential employees of the City.

SECTION 4. COMPENSATION AND BENEFITS

(A) EMPLOYEE's annual base salary is \$ 218,000 which shall be paid in equal bi-weekly payments. However, in the event that the City Council reduces the salaries of the Management/Confidential employees during the calendar year 2011, EMPLOYEE's salary shall also be reduced at the same time and by the same percentage amount that the Management/Confidential employees' salaries are reduced. However, in the event the salary reduction for Management/Confidential employees is implemented prior to October 1, 2011, the reduction for EMPLOYEE shall take effect no earlier than October 1, 2011. Any increase in EMPLOYEE's compensation must be in a writing signed by the parties and approved by the City Council;

(B) CITY shall pay EMPLOYEE a one time moving allowance not to exceed \$5,000. Employee shall obtain three bids from licensed moving companies and select the company that submits the lowest bid unless all of the bids exceed \$5,000.

(C) CITY shall pay EMPLOYEE for professional membership dues and fees and attendance at conferences as such may be budgeted by the CITY. EMPLOYEE shall also be reimbursed upon presentation to CITY of verified receipts for sums necessarily incurred by EMPLOYEE in the performance of EMPLOYEE's duties or as otherwise budgeted for by CITY, so long as the expenses are in accordance with the CITY's policies and state laws;

(D) EMPLOYEE shall be entitled to all other benefits of employment now in effect or as hereafter approved by the CITY Council, which are provided to other Management/Confidential employees of the CITY, except (i) EMPLOYEE shall pay the employee share (currently 7% of the employee's salary) of the PERS retirement benefit cost; (ii) EMPLOYEE shall not qualify for the lifetime medical benefit unless and until EMPLOYEE completes ten years of employment with the City; and, (iii) EMPLOYEE salary increases shall be governed by Section 4 (A) set forth above. With regard to item (ii) of this paragraph, in the event that CITY Council does not take action to require Management/Confidential employees to begin paying all of the employee's share (currently 7% of the employee's salaries) during calendar year 2011, then EMPLOYEE shall commencing on January 1, 2012 only be required to pay the same percentage share, if any, that other Management/Confidential employees are required to pay of the employee's share of the PERS retirement benefit cost. Additionally, should the Council during the term of this AGREEMENT reduce or increase Management/Confidential employees' benefits, EMPLOYEE's benefits shall be increased or reduced in the same manner and at the same time that the Management/Confidential employees' benefits are increased or reduced.

(E) As EMPLOYEE shall not have any accrued sick or vacation time when EMPLOYEE commences employment with the CITY, EMPLOYEE shall be advanced eighty hours of Executive Leave upon commencement of his employment (one year of accrual of Executive Leave). In the event that EMPLOYEE's employment with the CITY is terminated and EMPLOYEE has a negative Executive Leave balance, then the

payment due to EMPLOYEE's, if any, pursuant to Sections 3 (A) and (C) above shall be reduced by the amount of the negative accrual.

SECTION 5. ENTIRE AGREEMENT AND AMENDMENTS

CITY and EMPLOYEE acknowledge that no representation, inducement, promise or agreement, oral or written, has been made or is being relied upon which is not set forth in this AGREEMENT. This AGREEMENT supercedes all prior agreements with respect to the subject matter hereof and, to the extent permitted by law, any and all CITY Ordinances, Resolutions or Personnel Rules and Regulations of CITY that have been or may be adopted. No amendment or modification to this AGREEMENT shall be effective unless such is in writing and signed by the parties.

SECTION 6. EFFECT OF WAIVER/SEVERABILITY

Failure by either party to insist on strict compliance with any term or condition of this AGREEMENT shall not be deemed a waiver of such term or condition, nor shall any such failure be deemed a waiver of that right at any other time. If any provision of this AGREEMENT is held by a court of competent jurisdiction to be unenforceable, the remaining provisions shall remain in full force and effect.

SECTION 7. EMPLOYEE REPRESENTATION

EMPLOYEE represents that he has reviewed this AGREEMENT and has had the opportunity to consult with legal counsel of EMPLOYEE's own choosing with respect to this AGREEMENT. This AGREEMENT shall be deemed to have been drafted by both parties and it shall not be interpreted against either party hereto based upon the drafting hereof.

SECTION 8. GOVERNING LAW


This AGREEMENT shall be governed by and construed in accordance with the laws of the State of California and the venue for any legal action relating to this AGREEMENT shall be the Superior Court of the State of California, County of Los Angeles.

SECTION 9. COUNTERPARTS

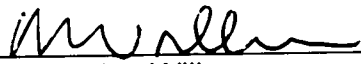
This AGREEMENT may be executed in counterparts, which counterparts shall constitute the AGREEMENT.

IN WITNESS WHEREOF, CITY has caused this AGREEMENT to be executed on its behalf by its Mayor and duly attested by its City Clerk; and EMPLOYEE has executed this AGREEMENT on the date first written above.

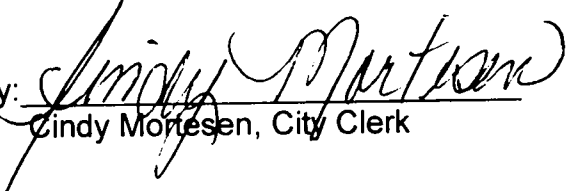
CITY:

By: 
Eric Busch, Mayor

EMPLOYEE:

By: 
Douglas Willmore

ATTEST:

By: 
Cindy Mortesen, City Clerk

APPROVED AS TO FORM:

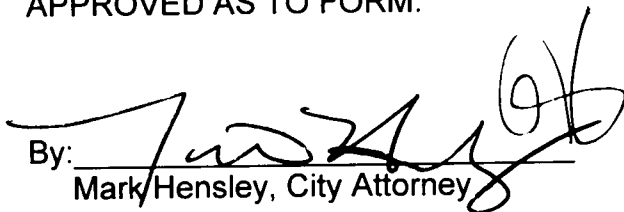
By: 
Mark Hensley, City Attorney

EXHIBIT A**SEPARATION AND RELEASE AGREEMENT****1. PARTIES**

This Separation, Severance and General Release Agreement ("AGREEMENT") is made and executed as of _____, 20__, by and between DOUGLAS WILLMORE ("WILLMORE") and the CITY OF EL SEGUNDO ("CITY").

2. RECITALS

2.1 WILLMORE commenced employment with the CITY as city manager on or about April 16, 2011 pursuant to that EMPLOYMENT AGREEMENT entered into between the parties on or about March 15, 2011.

2.2 This AGREEMENT is made to amicably resolve all matters between WILLMORE and the CITY regarding WILLMORE's employment and the cessation of said employment.

2.3 The parties understand and agree that a material purpose of this AGREEMENT is to resolve any disputes and CLAIMS arising from or relating to WILLMORE's employment with CITY, if any, and provide for a separation payment for WILLMORE.

3. CONSIDERATION

3.1 In exchange for WILLMORE's execution, faithful performance and compliance with this AGREEMENT, including without limitation the granting of the releases set forth herein, and in full satisfaction and settlement of WILLMORE's CLAIMS, if any, the CITY shall pay WILLMORE the sum of [insert amount of settlement in accordance with Section 3(A) and (C) of EMPLOYMENT AGREEMENT which shall not exceed 6 months of base salary and whatever leave payments are due WILLMORE] ("SEVERANCE PAYMENT") in the form of a check made payable to DOUG WILLMORE, to be delivered within 10 days of the EFFECTIVE DATE of this AGREEMENT. Required tax withholdings and deductions will be made from the SEVERANCE PAYMENT.

3.2 .Respecting the SEVERANCE PAYMENT referenced in paragraphs 3.1 above, WILLMORE understands and agrees that the employees portion of any federal, state or local taxes, if any, that may be owed or payable on the sums caused to be paid hereunder by the CITY are the sole and exclusive responsibility of WILLMORE.

3.3 WILLMORE and the CITY shall otherwise each bear their own attorney fees and costs incurred in connection with any disputes and this AGREEMENT.

3.4 Except as set forth in this Paragraph 3, the parties agree that no other monies or benefits are due, owing or unpaid by reason of WILLMORE's employment or

association with CITY and that no other monies or benefits will be paid or maintained by CITY to/for WILLMORE, in WILLMORE's name, or on WILLMORE's behalf. WILLMORE expressly agrees that the SEVRANCE PAYMENT described in Paragraph 3 supersede and are in substitution for any payments or benefits under any employment agreement(s), business agreement(s) or arrangement(s), oral or written promises, or severance policy or plan respecting or regarding his employment or association with CITY.

4. Specific Acknowledgement of Waiver of Claims under ADEA and OWBPA

The Age Discrimination in Employment Act of 1967 ("ADEA") makes it illegal for an employer to discharge any individual or otherwise discriminate with respect to the nature and privileges of an individual's employment on the basis that the individual is age forty (40) or older. The Older Workers Benefit Protection Act ("OWBPA", 29 U.S.C. sections 626, et. seq., Pub. L. 101-433, 104 Stat. 978 (1990)) further augments the ADEA and prohibits the waiver of any right or claim under the ADEA, unless the waiver is knowing and voluntary. By entering into this AGREEMENT, WILLMORE acknowledges that he knowingly and voluntarily, for just compensation, waives and releases any rights he may have under the ADEA and/or OWBPA. WILLMORE further acknowledges that he has been advised and understands, pursuant to the provisions of the ADEA and OWBPA, that:

- (a) This waiver/release is written in a manner understood by WILLMORE;
- (b) WILLMORE is aware of, and/or has been advised of, his rights under the ADEA and OWBPA, and of the legal significance of his waiver of any possible claims he currently may have under the ADEA, OWBPA and/or similar age discrimination laws;
- (c) WILLMORE is entitled to a reasonable time of at least twenty-one (21) days within which to review and consider this AGREEMENT and the waiver and release of any rights he may have under the ADEA, the OWBPA and similar age discrimination laws; but may, in the exercise of his own discretion, sign or reject this AGREEMENT at any time before the expiration of the twenty-one (21) days;
- (d) The waivers and releases set forth in this AGREEMENT shall not apply to any rights or claims that may arise under the ADEA and/or OWBPA **after** the EFFECTIVE DATE of this AGREEMENT;
- (e) WILLMORE has been advised by this writing that he should consult with an attorney **prior** to executing this AGREEMENT;
- (f) WILLMORE has discussed, or had the opportunity to discuss, this waiver and release with, and been advised with respect thereto by, his counsel of choice, and that he does not need any additional time within which to review and consider this AGREEMENT;
- (g) WILLMORE has **seven (7) days following his execution** of this AGREEMENT to revoke the AGREEMENT;

(h) Notice of revocation within the seven (7) day revocation period must be provided, in writing, to the CITY pursuant to this paragraph and must state, "I hereby revoke my acceptance of our 'Separation and Release Agreement;'" and

(i) This AGREEMENT shall not be effective until all parties have signed the AGREEMENT and ten (10) days have passed since WILLMORE's execution of the AGREEMENT (the "EFFECTIVE DATE").

5. RELEASE

In exchange for the payment, representations and covenants made herein, and except only as to such rights or claims as may be created by this AGREEMENT, WILLMORE hereby, and for his heirs, representatives, successors, and assigns, releases, acquits, and forever discharges the CITY, and all of its agents, officers, current and former elected and appointed officials, current and former employees, representatives, insurers, attorneys, and all persons acting by, through, under, or in concert with any of them, and each of them, from any and all claims (including without limitation all claims for workers compensation benefits, if any), charges, complaints, liabilities, obligations, promises, benefits, agreements, controversies, costs, losses, debts, expenses, damages, actions, causes of action, suits, rights, and demands of any nature whatsoever, known or unknown, suspected or unsuspected, which WILLMORE now has or may acquire in the future, which relate to or arise out of any act, omission, occurrence, condition, event, transaction, or thing which was done, omitted to be done, occurred (including without limitation any circumstance(s) giving rise to liability for workers compensation benefits) or was in effect at any time from the beginning of time up to and including the EFFECTIVE DATE of this AGREEMENT ("CLAIMS"), without regard to whether such CLAIMS arise under the federal, state or local constitutions, statutes, rules, ordinances or regulations, workers compensation statutes or the common law. WILLMORE expressly acknowledges that the CLAIMS forever barred by this AGREEMENT specifically include, but are not limited to, claims related to the DISPUTES, his employment with the CITY and its cessation, any claims for wages, overtime or benefits (including without limitation workers compensation benefits), any alleged breach of any duty, any alleged employment discrimination, harassment, retaliation or unlawful discriminatory act, any alleged breach of any express or implied employment contract, breach of any duty arising out of contract, statute, regulation, ordinance or tort, constructive discharge, wrongful termination or constructive discharge in violation of public policy, or any claim or cause of action including, but not limited to, any and all claims whethis arising under any federal, state or local law prohibiting or respecting wrongful termination, breach of employment contract, or employment discrimination, employee injury, death, workers compensation, wrongful hiring, harassment or retaliation based upon sex, race, age, color, religion, handicap or disability, national origin or any other protected category or characteristic, including but not limited to the Federal Fair Labor Standards Act, the California Fair Employment and Housing Act, the Americans With Disabilities Act, Title VII of the Civil Rights Act of 1964, and any other federal, state, or local human rights, civil rights, or employment discrimination or employee rights statute, rule, regulation, ordinance or decisional law.

Additionally, the CITY hereby agrees not to initiate, or proceed with any actions, causes of action, claims, etc., that could be or that have been asserted against WILLMORE arising out of WILLMORE' employment with the CITY, in any forum, whatsoever. To the

extent that any such actions, causes of action, claims, etc., are, or become pending in any forum whatsoever, the CITY agrees to execute all documents necessary for the withdrawal of such actions, causes of action, claims, with prejudice, forthwith.

6. UNKNOWN CLAIMS

6.1 WILLMORE' on the one hand, and the CITY, on the other hand, each hereby waive and release any rights which the other and its successors, heirs, executives, administrators, may have directly or indirectly, if any, jointly or severally, directly or indirectly, under the provisions of California Civil Code section 1542, and any similar state or federal statute, which reads in sum, substance or substantial part as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

6.2 WILLMORE and the CITY acknowledge that the facts with respect to which each gives this GENERAL RELEASE may turn out to be different from the facts they now believe to be true. WILLMORE and the CITY hereby assume the risk of the facts turning out to be different, and agree that this AGREEMENT shall in all respects be effective and not subject to termination or rescission because of any such difference in facts.

7. WAIVER OF ADDITIONAL CLAIMS

WILLMORE and the CITY hereby waive any provisions of state or federal law that might require a more detailed specification of the claims being released pursuant hereto.

8. REPRESENTATIONS AND WARRANTIES

Each of the parties to this AGREEMENT represent and warrant and agree with each other party as follows:

8.1 No Other Claims: WILLMORE and the CITY hereby represent and warrant that WILLMORE nor the CITY has not filed, nor will they file in the future, any complaint, charge, claim, legal action, or proceeding arising out of WILLMORE' employment with the CITY, the DISPUTES or the CLAIMS released hereby or in any way related to his employment with the CITY or separation therefrom with any court, agency, board, hearing officer or tribunal against the CITY or any of its agents, officers, current and former elected or appointed officials, current and former employees, representatives, insurers, attorneys, and all persons acting by, through, under, or in concert with any of them. WILLMORE retains his right to request indemnification from the City pursuant to California Government Code Section 825 *et seq.* with respect to any action brought against WILLMORE in his capacity as an employee.

8.2 Advice of Counsel: Each party has received, or has had the opportunity to receive, independent legal advice from their respective attorney(s) with respect to the

advisability of making the settlement and releases provided herein, with respect to the advisability of executing this AGREEMENT, and with respect to the meaning of California Civil Code section 1542.

8.3 No Fraud in Inducement: No party (nor any officer, agent, employee, representative, or attorney of or for any party) has made any statement or representation or failed to make any statement or representation to any other party regarding any fact relied upon in entering into this AGREEMENT, and neither party relies upon any statement, representation, omission or promise of any other party (or of any officer, agent, employee, representative, or attorney of or for any party) in executing this AGREEMENT, or in making the settlement provided for herein, except as expressly stated in this AGREEMENT.

8.4 Independent Investigation: Each party to this AGREEMENT has made such investigation of the facts pertaining to this severance and settlement and this AGREEMENT and all the matters pertaining hereto as it deems necessary.

8.5 Comprehension and Authority: Each party or responsible officer thereof has read this AGREEMENT and understands the contents hereof. Any of the officers executing this AGREEMENT on behalf of the CITY are empowered to do so and thereby bind the entity.

8.6 Mistake Waived: In entering into this AGREEMENT and the severance and settlement provided for herein, each party assumes the risk of any misrepresentation, concealment or mistake. If any party should subsequently discover that any fact relied upon by it in entering into this AGREEMENT was untrue, or that any fact was concealed from it, or that its understanding of the facts or of the law was incorrect, such party shall not be entitled to rescind or set aside the AGREEMENT. This AGREEMENT is intended to be and is final and binding between the parties, regardless of any claims of misrepresentation, promise made without the intent to perform, concealment of fact, mistake of fact or law, or any other circumstance whatsoever.

8.7 Later Discovery: WILLMORE and the CITY are aware that they may hereafter discover claims or facts in addition to or different from those they now know or believe to be true with respect to the matters related herein. Nevertheless, it is both parties intention to fully, finally and forever settle and release all such matters, and all claims relative hereto, which do now exist, may exist or have previously existed between both parties. In furtherance of such intention, the releases given here shall be and remain in effect as full and complete releases of all such matters, notwithstanding the discovery or existence of any additional or different claims or facts relative thereto.

8.8 Ownership of Claims: WILLMORE represents and warrants as a material term of this AGREEMENT that he has not heretofore assigned, transferred, released or granted, or purported to assign, transfer, release or grant, any of the CLAIMS disposed of by this AGREEMENT. In executing this AGREEMENT, WILLMORE further represents and warrants that none of the CLAIMS released by his hereunder will in the future be assigned, conveyed, or transferred in any fashion to any other person and/or entity.

8.9 Future Cooperation: The parties will execute all such further and additional documents as shall be reasonable or necessary to carry out the provisions of this AGREEMENT.

9. MISCELLANEOUS

9.1 No Admission: Nothing contained herein shall be construed as an admission by the parties of any liability of any kind. The parties each deny any liability in connection with any claim or wrongdoing. Each party also intends hereby solely to amicably resolve all matters between the parties.

9.2 Governing Law: This AGREEMENT and the rights and obligations of the parties shall be construed and enforced in accordance with, and governed by, the laws of the State of California. The venue for any dispute arising out of or relating to this AGREEMENT shall be the Los Angeles Superior Court.

9.3 Full Integration: This AGREEMENT is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This AGREEMENT may be amended only by a further agreement in writing, signed by the parties hereto.

9.4 Continuing Benefit: This AGREEMENT is binding upon and shall inure to the benefit of the parties hereto, their respective agents, employees, representatives, officers, and officials.

9.5 Joint Drafting: Each party has cooperated in the drafting and preparation of this AGREEMENT. Hence, in any construction to be made of this AGREEMENT, the same shall not be construed against any party.

9.6 Severability: In the event that any term, covenant, condition, provision or agreement contained in this AGREEMENT is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such term, covenant, condition, provision or agreement shall in no way affect any other term, covenant, condition, provision or agreement and the remainder of this AGREEMENT shall still be in full force and effect.

9.7 Titles: The titles included in this AGREEMENT are for reference only and are not part of the terms of this AGREEMENT, nor do they in any way modify the terms of this AGREEMENT.

9.8 Counterparts: This AGREEMENT may be executed in counterparts, and by facsimile and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one AGREEMENT, which shall be binding upon and effective as to all parties.

9.9 Executed Copy: All parties shall receive a fully executed copy of this AGREEMENT.

9.10 Notice: Any and all notices given to any party under this AGREEMENT shall be given as provided in this paragraph. All notices given to either party shall be made by certified or registered United States mail, or personal delivery, at the noticing party's discretion, and addressed to the parties as set forth below. Notices shall be deemed, for all purposes, to have been given on the date of personal service or three (3) consecutive calendar days following deposit of the same in the United States mail.

As to WILLMORE:

DOUGLAS WILLMORE

As to the CITY:

Attn: City Clerk
City of El Segundo
350 Main Street
El Segundo, California 90245 .

WHEREFORE, the parties hereto have read all of the foregoing, understand the same, and agree to all of the provisions contained herein.

DATED: _____

CITY OF EL SEGUNDO

By: _____
MAYOR

DATED: _____

DOUGLAS WILLMORE

By: _____
DOUGLAS WILLMORE

APPROVED AS TO FORM:

By: _____
CITY ATTORNEY

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