

**AMENDMENT TWO
TO
EMPLOYMENT AGREEMENT**

THIS AMENDMENT TWO to EMPLOYMENT AGREEMENT ("Amendment Two") is made and entered into __ day of _____, 2021 ("Effective Date") by and between the Town of Paradise Valley, an Arizona municipal corporation (the "Town") and Jill B. Keimach ("Keimach" or "Manager").

RECITALS

A. Effective March 28, 2019, the Town employed Keimach as Town Manager for the Town pursuant to Employment Agreement, CON-19-063-TMG ("Employment Agreement").

B. Among other things, the Employment Agreement provided that as part of Keimach's compensation, the Town would make an annual contribution to a deferred compensation plan.

C. The Employment Agreement also provided for an annual performance review and an opportunity to earn a salary increase or bonus, in the Town Council's discretion.

D. As part of the 2020 annual performance review process and in response to the financial burdens imposed on the Town pursuant to the COVID-19 pandemic, the Town Council amended the Employment Agreement (Amendment No. 1) to implement Keimach's voluntary offer to reduce her compensation by eliminating the Town's obligation to make a deferred compensation contribution until such time as the parties mutually agree to reinstate a deferred compensation contribution and also, at Keimach's request, to defer any consideration of a salary increase or bonus until such time as the hold on merit pay increases for Town employees is removed.

E. As a result of improved financial conditions, the Town Council has authorized that merit pay increases may be provided for Town employees.

F. As a result, the Town Council seeks to rescind its prior deferral of contributions to Keimach's deferred compensation plan and to provide a salary increase for Keimach.

G. Town and Keimach wish to modify and amend the Employment Agreement subject to and strictly in accordance with the terms of this Amendment Two.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby incorporated into and are deemed an integral part of this Agreement, the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged by the parties hereto, the Town and Keimach hereby agree as follows:

1. Section 7.3.B (Deferred Compensation) as amended in Amendment No. 1 is hereby rescinded, and Keimach shall be made whole for any contributions to the deferred compensation plan that were withheld after July 1, 2020.
2. On the Effective Date, Section 7.3.B (Deferred Compensation) shall be as originally set forth in the Employment Agreement and shall read as follows:

B. Deferred Compensation. In addition to contributions pursuant to Section 7.3(A), the Town agrees to contribute into a qualified tax-sheltered deferred compensation plan ("Plan") under the Internal Revenue Code, designated by the Town and Keimach, in the amount of \$25,000 annually. The annual amount contributed shall be paid in equal quarterly payments during the term of this Agreement. If Manager is terminated without cause, she will receive a partial amount of the upcoming quarterly deferred compensation amount pro-rated based on the effective date of termination of the Agreement. The Plan will conform to all applicable state and federal regulations, including but not limited to those issued by the Internal Revenue Service and the Internal Revenue Code. Manager is responsible for any tax consequences related to the Town's contributions.

3. Section 7.1 of the Employment Agreement is amended to revise Keimach's base annual salary to Two Hundred Five Thousand dollars (\$205,000) retroactively effective on July 1, 2020, all other provisions in the section remaining unchanged.
4. Section 8 of the Employment Agreement, "Performance Evaluation," is revised to adjust the timing of Keimach's annual performance review by deleting the following sentence:

"The performance review shall occur within a reasonable time after each anniversary date of this Agreement."

and replacing it with the following sentence:

"Commencing in 2021 and annually thereafter, the performance review shall occur at a time that reasonably coincides with the Town's budget adoption for the following fiscal year."
5. Ratification of Agreement. Town and Keimach hereby agree that except as expressly provided herein, the provisions of the Employment Agreement shall be and remain in full force and effect and that if any provision of this Amendment No. 2 conflicts with the Employment Agreement, then the provisions of this Amendment No. 2 shall prevail.

IN WITNESS WHEREOF, the parties have executed this Amendment Two on the day and year first set forth above.

"Keimach"

"Town"

TOWN OF PARADISE VALLEY, an
Arizona municipal corporation

Jill B. Keimach

Jerry Bien-Willner, Mayor

ATTEST:

APPROVED AS TO FORM:

Duncan Miller, Town Clerk

Deborah Robberson, Acting Town Attorney