

SEVERANCE AGREEMENT

THIS SEVERANCE AGREEMENT (hereinafter referred to as the "Agreement") is made and entered into this the 4th day of August, 2025, by and between the **CITY OF ROCKWALL , TEXAS** (hereinafter referred to as the "City"), a Texas home-rule municipality, and **MARY P. SMITH** (hereinafter referred to as "Manager"), both of which parties hereto understand and agree as follows:

WHEREAS, in August 2021, the City Council of the City ("the Council") and Manager entered into an Agreement for Professional Services and Employment as City Manager for the City of Rockwall ("Employment Agreement") with Mary P. Smith; and

WHEREAS, the City Council of the City of Rockwall, Texas, finds it is in the best interest of the City of Rockwall, Texas, to address any severance payment provided to Manager in the event the City Council decides to terminate Manager's employment during such time Manager is willing and able to continue performing the duties of the City Manager.

NOW, THEREFORE, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Manager agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. TERM.

This Agreement shall be effective as of the Effective Date of this Agreement, and shall continue thereafter through the term of the Employment Agreement, as amended, unless terminated sooner under the provisions hereof.

SECTION 3. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- (a) **Agreement.** The word "Agreement" means this Severance Agreement, together with all exhibits and schedules attached to this Agreement from time to time, if any.
- (b) **City.** The word "City" means the City of Rockwall, Texas, a Texas home-rule municipality. For the purposes of this Agreement, City's address is 385 S. Goliad, Rockwall, Texas 75087.
- (c) **Employment Agreement.** The words "Employment Agreement" mean the Employment Agreement by and between the City and Manager, as amended.

- (e) **Manager.** The word "Manager" means Mary P. Smith, City Manager of the City of Rockwall, Texas.
- (f) **Term.** The word "Term" means the term of this Agreement as specified in Section 2 of this Agreement.

SECTION 4. AFFIRMATIVE OBLIGATIONS.

The City and Manager covenant and agree that while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Severance Pay.** If the Manager's employment with the City is terminated by the action of the City Council, and the Manager is willing and able to continue performing the duties of the City Manager, the City agrees to pay a lump sum cash payment equal to six (6) months full salary, plus the value of all vacation leave accrued by, or credited to, the Manager prior to the termination. In the event that severance is paid to Manager, Manager must agree to contemporaneously execute and deliver to the City a full Release of any and all claims that she may have against the City. The failure to execute and deliver such release shall nullify any obligation by the City to pay severance. Only after Manager signs and provides a signed release of claims shall severance be paid. The City shall endeavor to pay severance to Manager in the next regular payroll cycle.
- (b) **No Severance Payment.** In the event the City Council terminates the Manager's employment because of the commission of an illegal act, including but not limited to, acts involving personal gain, corruption, misconduct or malfeasance in office, any misdemeanor (not Class C) felony, or violation of the City Charter or the City of Rockwall "Code of Ethics", then the City shall have no obligation whatsoever to pay any severance pay designated in this section.

SECTION 5. TERMINATION.

This Agreement shall terminate automatically without further notice to Manager or City upon: (1) termination of the Employment Agreement; and/or (2) payment of the severance pay as provided in Section 4(a) of this Agreement by City to Manager, and consistent with the terms of the Employment Agreement.

SECTION 6. MISCELLANEOUS PROVISIONS.

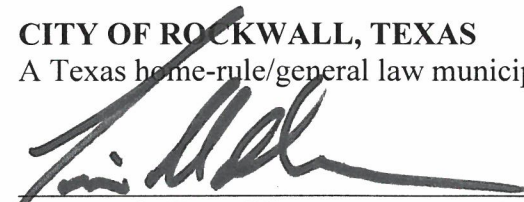
The following miscellaneous provisions are a part of this Agreement:

- (a) **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

- (b) **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Rockwall County, Texas. Venue for any action arising under this Agreement shall lie in the state courts of Rockwall, County, Texas.
- (c) **Assignment.** This Agreement may not be assigned without the express written consent of the other party.
- (d) **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.
- (e) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- (f) **Entire Agreement.** This written agreement represents the final agreement between the parties and may not *be* contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.
- (g) **Severability.** The provisions of this Agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Agreement is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation, the remaining portions of the Agreement shall be enforced as if the invalid provision had never been included.


SIGNED THIS THE 4th DAY OF AUGUST, 2025.

CITY OF ROCKWALL, TEXAS
A Texas home-rule/general law municipality,



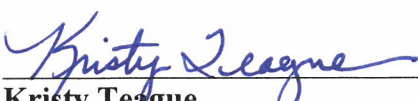
Tim McCallum, Mayor

CITY MANAGER:



Mary P. Smith

ATTESTED:



Kristy Teague
City Secretary