

## **SEVERENCE AGREEMENT**

**THIS SEVERENCE AGREEMENT** (hereinafter referred to as the “Agreement”) is made and entered to be effective the 26<sup>th</sup> day of August, 2025, by and between the **CITY OF SPRING VALLEY VILLAGE, TEXAS**, general law municipality (hereinafter referred to as the “City”); and **JOHN MCDONALD** (hereinafter referred to as “Administrator”), both of which parties hereto understand and agree as follows:

**WHEREAS**, on or about August 26, 2025, the City and Administrator entered in an employment agreement concerning the services of Administrator (hereinafter referred to as the “Employment Agreement”); and

**WHEREAS**, the City Council of the City of Spring Valley Village, Texas, finds it is in the best interest of the City of Spring Valley Village, Texas, to address any severance payment provided to Administrator’s employment during such time Administrator is willing and able to continue performing the duties of the City Administrator.

**NOW, THEREFORE**, for and inconsideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Administrator 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 promise 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) **Administrator.** The word “Administrator” means John McDonald, City Administrator of the City of Spring Valley Village, Texas.
- (b) **Agreement.** The word “Agreement” means this Severance Agreement, together with all exhibits and schedules attached to this Agreement from time to time, if any.

- (c) **City.** The word "City" means the City of Spring Valley Village, Texas, a general law municipality. For the purposes of this Agreement, City address is 1025 Campbell Road, Houston, Texas, 77055.
- (d) **Effective Date.** The words "Effective Date" mean the date of the latter to execute this Agreement by and between the City and Administrator.
- (e) **Employment Agreement.** The words "Employment Agreement" mean the Employment Agreement by and between the City and the Administrator, as amended.
- (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 Administrator covenant and agree that while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Severance Pay.** In the event the City Council decides to terminate Administrator's employment during such time Administrator is willing and able to continue performing the duties of Administrator, then the City agrees to pay the Administrator a lump sum cash payment in an amount equal to one (1) year of Annual Base Salary at the current rate of pay, and which amount shall also include all amounts owed for accrued by unused vacation, sick, and personal leave. This lump sum shall be paid within thirty (30) days of termination. The City shall also pay up to one (1) year of health benefits from the date of termination.
- (b) **No Severance Payment.**
  - a. In the event the City terminates Administrator's employment for cause, as set forth herein, the City shall have no obligation to pay any severance pay as set forth in Section 4.A., and Administrator shall be entitled to all compensation earned through the date of termination. For purposes of this Agreement, "cause" shall mean and include any of the following:
    - i. Any breach of this Agreement or any willful, knowing, grossly negligent or negligent breach, disregard or habitual neglect of any duty or obligation required to be performed by Administrator under the Employment Agreement, any ordinance of the City and/or the laws of the United States or the State of Texas;
    - ii. Any misapplication or misuse, direct or indirect, by the Administrator of public funds or other property, real, personal or mixed, owned by or entrusted to the City, any agency or corporation thereof, or the Administrator;

- iii. Conviction, including probation or deferred adjudication, deferred disposition of a felony, a criminal offense rising to a level higher than a Class C misdemeanor, or any misdemeanor involving theft, fraud, bribery, forgery, perjury, abuse of public office, illegal drugs or controlled substances, or a crime involving personal gain of the Administrator;
  - iv. Engaging in any lewd conduct whether acting in the capacity of the City Administrator or not.
- b. In the event Administrator voluntarily resigns his position with the City, the Administrator shall not be paid any severance as set forth in Section 4.A.

## **SECTION 5. TERMINATION**

This Agreement shall terminate automatically without further notice to Administrator 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 the City to Administrator, and consistent with the terms of the Employment Agreement.

## **SECTION 6. MISCELLANEOUS PROVISIONS**

The following miscellaneous provisions are a part of this Agreement:

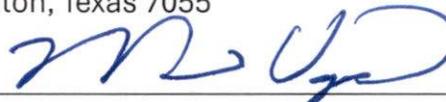
- (a) **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound 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 Harris County, Texas. Venue for any action arising under this Agreement shall lie in the state courts of Harris 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.
- (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.

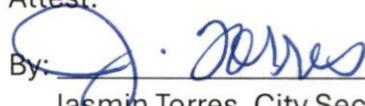
SIGNED THIS THE 27<sup>th</sup> DAY OF AUGUST, 2025.

**CITY OF SPRING VALLEY VILLAGE, TEXAS**

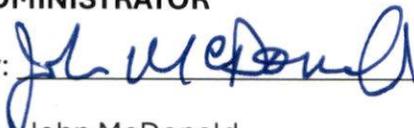
1025 Campbell Road  
Houston, Texas 7055

By:   
Marcus Vajdos, Mayor

Attest:

By:   
Jasmin Torres, City Secretary

**ADMINISTRATOR**

By:   
John McDonald  
1039 Glenview Drive  
Pearland, Texas 77581