

**FIRST AMENDMENT TO EMPLOYMENT AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
RACHAEL GOODWIN**

THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT (this "Amendment") is entered into effective July 1, 2026, by and between the Town of Fountain Hills, an Arizona municipal corporation (the "Town"), and Rachael Goodwin ("Goodwin"). The Town and Goodwin are sometimes referred to in this Amendment collectively as the "Parties" or individually as a "Party."

RECITALS

- A. The Town and Goodwin entered into that certain Employment Agreement dated October 3, 2023 (the "Agreement"), under which Goodwin serves as Town Manager of the Town.
- B. The Agreement establishes Goodwin's compensation, benefits, and other terms and conditions of employment as Town Manager.
- C. The Town Council desires to amend the Agreement effective July 1, 2026, to adjust Goodwin's base salary and to revise the method for future annual salary adjustments.
- D. The Parties desire that the Agreement remain in full force and effect except as expressly amended by this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, and the mutual covenants set forth below, the Parties agree as follows:

- 1. **Effective Date.** This Amendment shall be effective July 1, 2026.
- 2. **Amendment to Section 6.1; Salary.**

Section 6.1 of the Agreement is deleted in its entirety and replaced with the following:

- 6.1. **Salary.** Beginning July 1, 2026, the Town agrees to pay Goodwin an annual base salary of \$238,074, payable in installments at the same time as other management employees of the Town are paid. Beginning July 1 of each fiscal year after fiscal year 2026-2027, Goodwin's base salary shall be increased by the same percentage Annual General Adjustment, if any, approved by the Town Council for Town employees generally. For purposes of this Agreement, Annual General Adjustment means the across-the-board salary adjustment approved by the Town Council for Town employees generally. Goodwin expressly agrees and understands that this annual adjustment does not include merit increases, market adjustments, equity adjustments, or other compensation adjustments provided to individual Town employees unless separately approved by the Town Council for Goodwin.
- 3. **No Other Amendments.** Except as expressly amended by this Amendment, all terms and conditions of the Agreement remain unchanged and in full force and effect.
- 4. **Conflict.** In the event of a conflict between this Amendment and the Agreement, this Amendment shall control. Terms used but not defined in this Amendment have the meanings given to them in the Agreement.
- 5. **Counterparts; Electronic Signatures.** This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument. Signatures transmitted electronically shall have the same force and effect as original signatures.

IN WITNESS WHEREOF, the Parties have executed this Amendment effective as of the date set forth above.

"TOWN"

TOWN OF FOUNTAIN HILLS,
an Arizona municipal corporation

Gerry Friedel, Mayor

"GOODWIN"



Rachael Goodwin

ATTEST:

Town Clerk