

**SECOND AMENDMENT
EMPLOYMENT AGREEMENT**

This Second Amendment Employment Agreement between the City of Yorba Linda (“City”) and Mark Pulone (“Pulone” or “Manager”) (“Second Amendment Agreement”) is made this 6th day of October, 2015.

RECITALS

A. On July 2, 2013, City and Manager entered into an Employment Agreement (“Original Agreement”) with an effective date of August 5, 2013, and a First Amendment Employment Agreement effective October 7, 2014, whereby Pulone was employed as City Manager for the City of Yorba Linda pursuant to the terms and conditions set forth in Original Agreement.

B. Manager desires to continue serving as City Manager of the City of Yorba Linda, and the City desires to continue Pulone as City Manager of the City of Yorba Linda on the terms and conditions set forth in the Original Agreement, subject to the amendments and modifications hereinafter stated.

C. The City desires to enter into a five (5) year contract with Pulone as City Manager of the City of Yorba Linda with a period October 6, 2015 through and including October 5, 2020.

AGREEMENT

NOW, THEREFORE, the parties agree to the following Amendment to the terms and conditions of Manager’s employment as described in Original Agreement:

1. Section 4(a) Salary is amended to state:

Effective October 7, 2015, City Council grants Manager an increase in his current base salary of \$214,327.50 based on merit and performance in accordance with the provisions of Section 4(a) of Original Agreement. The merit and performance increase is 2% which correlates to increases in cost of living expenses. Therefore, effective October 7, 2015, City agrees to pay Manager an annual base salary, exclusive of benefits, in the sum of \$218,614.05, payable in installments at the same time and by the same methods as other City employees are regularly paid. In addition thereto, at least thirty (30) days prior to Manager's Anniversary Date (October 6th), the Council shall conduct a performance evaluation of Manager, and if a majority of the Council deems Manager to have successfully performed up to the Anniversary Date may, in their sole discretion, grant Manager an increase in base salary based on merit and performance consistent with the City's compensation policy in effect at the time of said increase. City and Manager agree to review Manager's salary and benefits at the time of Manager's performance evaluation in 2015 and subsequent years thereafter.

Council may, in its discretion, reduce the salary of Manager due to budgetary constraints, on condition that any such reduction shall not exceed the average reduction applicable to all management employees of the City at the time of reduction and

Manager's salary. Furthermore, Manager, in his sole discretion may elect not to receive any salary increase that may be granted hereunder; provided, however, if Manager elects not to receive a salary increase provided hereunder, said salary increase shall be subsequently implemented, on a prospective basis only, upon written request of Manager.

2. Section 5 BENEFITS is amended to add the following at the end of the current text under the heading BENEFITS to state as follows:

(h) Rollover Of Unused Leave From 2014-2015. Manager is allowed to rollover any unused leave as described in Section 5 of Original Agreement from 2014-2015 that is in excess of maximums allowed by City policy; however, Manager is committed to use some of his accrued leaves to bring Manager's leave balances under maximum limits.

3. Section 11 ENTIRE AGREEMENT is amended to state:

"Except as herein stated, all other terms and conditions of Original Employment Agreement with an effective date of August 5, 2013, as amended in First Amendment Employment Agreement effective October 7, 2014, shall remain in full force and effect until changed or terminated pursuant to the provisions of Section 3 of Original Employment Agreement.

This First and Second Amendment Employment Agreement and Original Employment Agreement contain the

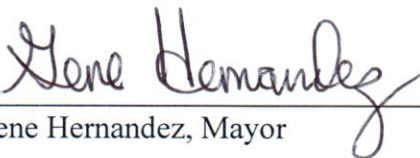
Entire Agreement between the parties concerning the subject matters set forth therein, and no promise, representation, warranty or covenant not included in this Second Amendment Employment Agreement, First Amended Employment Agreement or Original Employment Agreement have been or is relied upon by any party hereto concerning the offer and acceptance of employment described therein.”

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment Employment Agreement as of the date first set forth hereinabove.

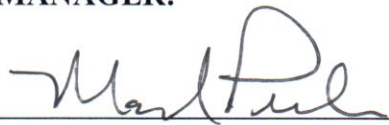
Date: October 6, 2015

Second Amendment Employment Agreement approved by City Council in open session at a regular City Council meeting and reflected in the minutes pursuant to Government Code sections 53262 and 54956(b).

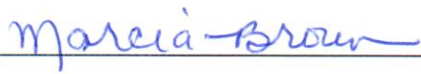
CITY:


Gene Hernandez, Mayor

MANAGER:

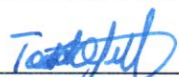

Mark Pulone

ATTEST:


City Clerk

APPROVED AS TO FORM:

RUTAN & TUCKER, LLP


Todd Litfin, City Attorney