FOURTH AMENDMENT EMPLOYMENT AGREEMENT

This Fourth Amendment Employment Agreement between the City of Yorba Linda ("City") and Mark Pulone ("Pulone" or "Manager") ("Fourth Amendment Employment Agreement") is made this 19th day of September, 2017.

RECITALS

A. City and Manager entered into an Employment Agreement dated July 2, 2013 ("Original Agreement"), a First Amendment Employment Agreement dated October 7, 2014, a Second Amendment Employment Agreement dated October 6, 2015, and a Third Amendment Employment Agreement dated November 15, 2016, whereby Pulone was employed as City Manager for the City of Yorba Linda pursuant to the terms and conditions set forth in Original Agreement as subsequently amended.

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.

AGREEMENT

NOW, THEREFORE, the parties agree to the following amendment to the terms and conditions of Manager's employment:

Section 4(a) Salary is amended to state:

"Effective September 25, 2017, City Council grants Manager an increase in his current base salary of \$229,544.75 based on merit

and performance in accordance with the provisions of Section 4(a) of Original Agreement. The merit and performance increase is 5%. Therefore, effective September 25, 2017, City agrees to pay Manager an annual base salary, exclusive of benefits, in the sum of \$241,022.00, 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 (August 5th), 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 2018 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. <u>Section 11 ENTIRE AGREEMENT is amended to state</u>:

"Except as herein stated, all other terms and conditions of Original Employment Agreement dated July 2, 2013, as amended in First Amendment Employment Agreement dated October 7, 2014, as amended in the Second Amendment Employment Agreement dated October 6, 2015, and as amended in the Third Amendment Employment Agreement dated November 15, 2016, shall remain in full force and effect until changed or terminated pursuant to the provisions of Section 3 of Original Employment Agreement.

This First, Second, Third, and Fourth 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 Fourth Amendment Employment Agreement, Third 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 Fourth Amendment Employment Agreement as of the date first set forth hereinabove.

Date: September 19, 2017

Fourth 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:

Peggy Huang, Mayor

MANAGER:

Mark Pulone

ATTEST:

City Clerk

APPROVED AS TO FORM:

RUTAN & TUCKER, LLP

Todd Litfin, City Attorney