

**FIRST AMENDMENT
EMPLOYMENT AGREEMENT**

This First Amendment Employment Agreement between the City of Yorba Linda ("City") and Mark Pulone ("Pulone" or "Manager") ("First Amendment Agreement") is made this 7th day of October, 2014.

RECITALS

A. On July 2, 2013, City and Manager entered into an Employment Agreement ("Original Agreement") with an Effective Date of August 5, 2013 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. Section 4(a) of Original Agreement concerns Salary and states as follows:

"Commencing on the Effective Date (also "Anniversary Date"), City agrees to pay Manager an annual base salary, exclusive of benefits, in the sum of \$205,000 per year, with said amount of \$205,000 increased by a minimum of 2½% on the first anniversary date in August 2014, payable in installments at the same time and by the same methods as other City employees are regularly paid. The City acknowledges that these two amounts are starting salaries and may be subject to an increase based upon

merit and performance. In addition thereto, at least thirty (30) days prior to Manager's Anniversary Date (August), 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 2014 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."

D. Pursuant to the terms of Section 4(a) of Manager's Original Agreement, Pulone will receive a 2½ % salary increase effective the same pay period applicable to other employees

in August, 2014, resulting in an annual base salary, exclusive of benefits, in the sum of \$210,125 per year.

E. Section 5(f) of Original Agreement concerns Moving Expenses and states as follows:

“Should the Manager opt to relocate within the City limits within one (1) year from date of hire, or upon extension by the City Council, an expense reimbursement of up to \$10,000 will be made to either a moving company or based on incurred expenses with original receipts.”

F. Manager has opted to relocate within the City limits within a time period acceptable to the City Council from date of his hire as Manager, and he has incurred moving expenses in an amount not to exceed \$10,000 with documented original receipts.

G. Section 6(d) of Original Agreement concerns Technology and states as follows:

“City shall provide Manager with a cell phone for official City business and shall pay Manager’s cell phone bill. The City shall also supply Manager with a computer (with docking station) and an iPad for business use including providing full access to Internet coverage as appropriate.”

H. Section 11 of Original Agreement concerns Entire Agreement and states as follows:

“This Agreement contains the entire agreement between the parties concerning the subject matter set forth herein and no promise, representation, warranty or covenant not included in this

Agreement has been or is relied upon by any party hereto concerning the offer and acceptance of employment described herein.”

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, 2014, City Council grants Manager an increase in base salary 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, 2014, City agrees to pay Manager an annual base salary, exclusive of benefits, in the sum of \$214,327.50, 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), 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 4(f) Payment for Moving Expenses is confirmed and amended to state:

"Manager has opted to relocate within the City limits, and he has original receipts documenting he incurred a moving expense in an amount not to exceed \$10,000. Accordingly, Manager shall be reimbursed a sum not to exceed \$10,000 for documented moving expenses he incurred to relocate within the City limits upon submission of original receipts to City."

3. Section 6(d) Technology is amended to state:

"In lieu of a cell phone provided to Manager at City expense, City shall provide an allowance of \$125.00 per month to Manager for a

cell phone. The \$125.00 allowance shall not be considered or reported to CalPERS as compensation earnable. The City shall also supply Manager with a computer (with docking station) and an iPad for business use including providing full access to Internet coverage as appropriate.”

4. 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, shall remain in full force and effect until changed or terminated pursuant to the provisions of Section 3 of Original Employment Agreement.

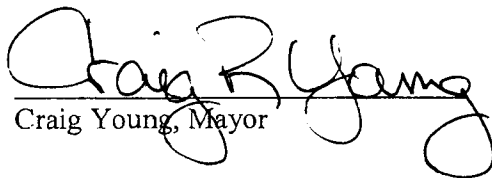
This First Amendment Employment Agreement and Original Employment Agreement contain the Entire Agreement between the parties concerning the subject matters set forth therein, and no promise, representation, warranty or covenant not included in this First Amendment Employment Agreement or Original Employment Agreement has 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 First Amendment Employment Agreement as of the date first set forth hereinabove.

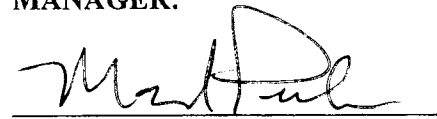
Date: October 7, 2014

First 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).

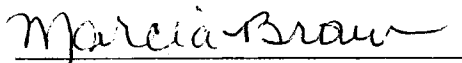
CITY:


Craig Young, Mayor

MANAGER:


Mark Pulone

ATTEST:


Marcia Brown
City Clerk

APPROVED AS TO FORM:

RUTAN & TUCKER, LLP


Todd Litfin, City Attorney