SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

This Second Amendment to Employment Agreement is entered into this 28th day of April, 1997, by and between the City of Redlands, a municipal corporation (hereinafter "City") and Daniel J. McHugh (hereinafter "Employee").

RECITALS

Whereas, City and Employee have entered into an Employment Agreement dated April 19, 1994, wherein City expressed its desire to employ the services of Employee as City Attorney of the City of Redlands as provided for by California Government Code Section 36505; and

Whereas, City and Employee on March 7, 1995, amended certain provisions of the Employment Agreements; and

Whereas, it is the desire of the City Council of City and Employee to amend certain provisions of the Employment Agreement, as amended, as hereinafter provided;

Now, therefore, in consideration of the mutual covenants contained herein, the City of Redlands and Daniel J. McHugh agree as follows:

AGREEMENT

1. Section 2 of the Employment Agreement, as amended, relating to salary is hereby amended to read as follows:

"City shall pay Employee for his services rendered pursuant hereto an annual base salary of \$94,697 commencing on May 5, 1997; \$97,065 on the closest pay period to May 5, 1998; and \$99, 491 commencing on the closest pay period to May 5, 1999; payable in installments at the same time as other employees of the City are paid."

2. Section 3 of the Employment Agreement relating to fringe benefits is hereby amended to read as follows:

"Employee shall receive an automobile allowance in the amount of \$200 per month as compensation for use by Employee of his personal automobile for City business."

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In witness hereof the parties have executed this Second Amendment to Employment Agreement the day and year first written above.

CITY OF REDLANDS

EMPLOYEE

Swen Larson, Mayor

Daniel J. McHugh, City Attorney

ATTEST: