

FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT

This first amendment ("First Amendment") to the Employment Agreement ("Agreement") dated May 5, 2009, by and between the City of Redlands, a municipal corporation and general law city of the State of California (hereinafter referred to as the "City" or the "City Council") and N. Enrique Martinez (hereinafter referred to as the "City Manager"), is made and entered into this 4th day of May, 2010 ("Effective Date"). The City and City Manager are sometimes individually referred to herein as a "Party" and, together, as the "Parties."

RECITALS

WHEREAS, City and City Manager have entered into an Employment Agreement dated May 5, 2009, wherein City expressed its desire to employ the City Manager; and

WHEREAS, Employee's fringe benefits have customarily been equivalent to those fringe benefits provided by the City Council to the City's Department Directors and those management employees in the employee organization known as the "Redlands Association of Management Employees ('RAME'); and

WHEREAS, on or about December 16, 2008, the City Council took action to separate the Department Directors from the RAME organization; and

WHEREAS, on or about December 16, 2008, the City Council also approved by resolution a "Compensation and Benefits Profile" package for Department Directors, including certain health insurance benefits; and

WHEREAS, on April 29, 2010, the City Council concluded negotiations with the RAME organization and approved RAME's MOU relating to salary and benefits for the term July 1, 2009 through June 30, 2012; and

NOW, therefore, in consideration of the mutual promises contained herein, the City of Redlands and N. Enrique Martinez agree as follows:

Section 1. The existing Exhibit "A" of the Agreement is hereby deleted and replaced with a new Exhibit "A", a copy which is attached to this First Amendment, and incorporated herein by this reference.

Section 2. All other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this First Amendment on the 4th day of May, 2010.

City of Redlands

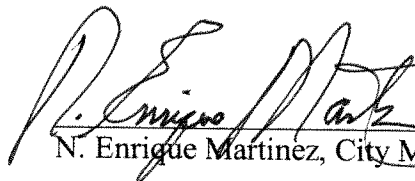
ATTEST:



Pat Gilbreath, Mayor



Sam Irwin, City Clerk



N. Enrique Martinez, City Manager

EXHIBIT "A"

- **HEALTH INSURANCE**

The City Manager will be provided the "Health Allotment" insurance benefit as provided to City Department Directors in accordance with the "Compensation and Benefits Profile" adopted by City Council Resolution No. 6795.

- **LIFE INSURANCE** - \$25,000
- **ACCIDENTAL DEATH & DISMEMBERMENT** - \$25,000
- **DEFERRED COMPENSATION** – 401A Plan – Annual City paid contribution in the amount of \$1,125 + 2% of salary
- **PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)** - Employee contribution amount paid by the City. Formula to equal City of Redlands Miscellaneous employees.
- **ANNUAL LEAVE** – 338 hours annually
- **HOLIDAYS** – 12 City designated holidays
- **FLEXIBLE SAVINGS PLAN**