

THIRD AMENDMENT TO AGREEMENT
FOR EMPLOYMENT OF THE CITY MANAGER

THIS THIRD AMENDMENT to the Agreement for the Employment of the City Manager is made this 19th day of February, 2008 by and between the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California (the "City") and David N. Ream (the "Official").

RECITALS

- A. The City and the Official are parties to that certain Agreement for Employment of the City Manager dated March 20, 1989, as amended by that certain First Amendment dated April 15, 1991 (the "First Amendment") and as further amended by that certain Second Amendment dated February 18, 2003 (the "Second Amendment") (collectively, "the Agreement").
- B. The City and the Official seek to further amend the Agreement to adjust the Official's base salary and additional compensation.

NOW THEREFORE, in consideration of the mutual and respective promises, and subject to the terms and conditions hereinafter set forth, the parties agree as follows:

1. Section 3 of the Agreement is hereby amended to read as follows:

"(a) Effective March 1, 2008, the salary of the Official is hereby fixed and established at Nineteen Thousand Six Hundred Ninety-Three Dollars (\$19,693.00) per month which shall be paid in the same manner and at the same time as other monthly salaries in the city are paid.

(b) As additional compensation deducted from his salary pursuant to Government Code Section 53214, the Officer shall receive deferred compensation in the maximum annual amount permitted pursuant to Section 457 of the Internal Revenue Code, excluding any permitted catch up contribution, commencing with calendar year 2008."

2. Section 6(a) of the Agreement is hereby deleted.
3. Except as necessary to implement the intent of this Third Amendment, the Agreement shall remain unchanged and in full force and effect.

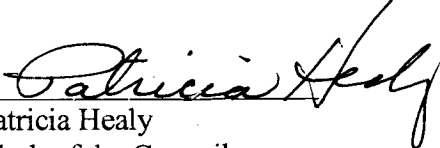
IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year first above written.

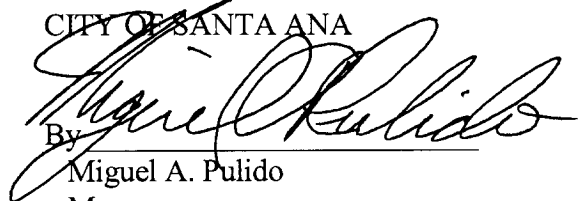
[Signatures provided on next page]

“CITY”

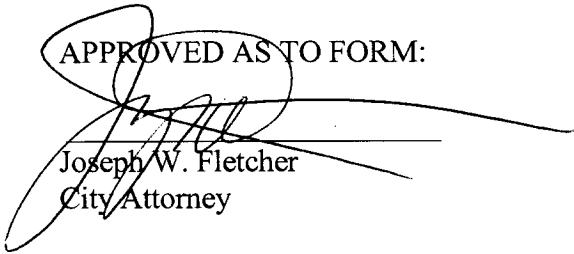
ATTEST:

CITY OF SANTA ANA



Patricia Healy
Clerk of the Council


By: Miguel A. Pulido
Mayor

APPROVED AS TO FORM:


Joseph W. Fletcher
City Attorney

“OFFICIAL”

By: 
David N. Ream

C: (1) orig
Dave Ream
Fin-
Personnel

SECOND AMENDMENT TO AGREEMENT
FOR THE EMPLOYMENT OF THE CITY MANAGER

THIS SECOND AMENDMENT to the Agreement for the Employment of the City Manager is made this 18th day of February, 2003 by and between the City of Santa Ana, a charter city and municipal corporation duly organized and existing under the Constitution and laws of the State of California ("City"), and David N. Ream ("Official").

RECITALS

- A. The City and Official are parties to that certain Agreement for Employment of City Manager dated March 20, 1989, as amended by that certain Amendment to Agreement for Employment of City Manager dated April 15, 1991 (the "First Amendment") (collectively, the "Agreement");
- B. The City and Official seek to further amend the Agreement to clarify existing language related to payments to CalPERS on the Officer's behalf to ensure that said payments will be treated by CalPERS in the same fashion as for all other City employees.

Now therefore, the Parties agree as follows:

1. Section 5 of the Agreement is hereby amended to read as follows:

"The terms of the existing contract between the City and the California Public Employees' Retirement System ("CalPERS") governing the retirement benefits for affected employees, as amended, are incorporated herein by reference, and the City shall continue to make contributions to CalPERS in accordance with said contract for the Officer at the same rate and in the same manner that the City provides for the class designated as Executive Management ("EM")."

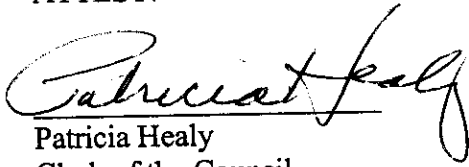
2. Effect of Amendment

Except as necessary to implement the intent of this Second Amendment, the Agreement shall remain in full force and effect.

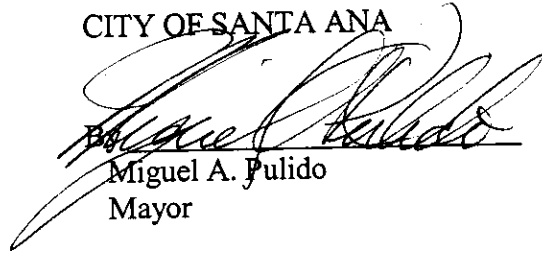
IN WITNESS WHEREOF, the Parties have executed this Second Amendment the day and year first above written.

[Signatures provided on next page]


ATTEST:


Patricia Healy
Clerk of the Council


CITY OF SANTA ANA


By: Miguel A. Pulido
Mayor

APPROVED AS TO FORM:


Joseph W. Fletcher
City Attorney

"OFFICIAL"

By: 
David N. Ream

A-91-039 ✓
CC: CITY Mgr.
FLO
PERSONNEL
Charlene H
4/16/91

AMENDMENT TO AGREEMENT
FOR EMPLOYMENT OF
CITY MANAGER

THIS AMENDMENT TO AGREEMENT, made and entered into on April 15, 1991, by and between the City of Santa Ana, a municipal corporation of the State of California ("City"), and David N. Ream ("Officer"),

W-I-T-N-E-S-S-E-T-H

Recitals:

A. The City and Officer entered into an agreement dated March 20, 1989, for employment of Officer as City's City Manager, hereinafter referred to as "said Agreement."

B. The parties hereto now desire to amend said Agreement to provide for an increase in salary.

WHEREFORE, in consideration of the respective and mutual covenants hereinafter contained and made, and subject to all the terms and conditions hereof, the parties do hereby agree as follows:

1. Sections 3 of said Agreement is hereby amended to read as follows:

"3. From and after May 1, 1991, the salary of the Office of the City Manager of the City of Santa Ana is hereby fixed and established at Eleven Thousand Three Hundred Thirty-three Dollars (\$11,333.00) per month which shall be paid in the same manner and at the same times as other monthly salaries in the city are paid."

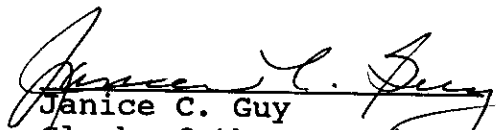
2. Except as modified hereby, the terms and conditions of said

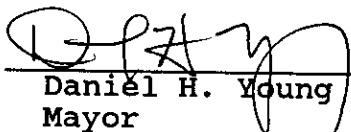
Agreement shall remain in full force and effect.


IN WITNESS WHEREOF, the parties hereto have executed this amendment to agreement the date and year first above written.

CITY OF SANTA ANA

ATTEST:


Janice C. Guy
Clerk of the Council


Daniel H. Young
Mayor


DAVID N. REAM

APPROVED AS TO FORM:


Edward J. Cooper
City Attorney

**INSURANCE NOT REQUIRED
WORK MAY PROCEED
CLERK OF COUNCIL**

AGREEMENT FOR EMPLOYMENT
OF CITY MANAGER

DATE: 4/3/89 THIS AGREEMENT, made and entered into on MARCH
 CC: CM 20, 1989, by and between the City of Santa Ana, a
 FW
 HR municipal corporation of the State of California ("City"), and
David N. Ream ("Officer"),

W-I-T-N-E-S-S-E-T-H

In consideration of the respective and mutual covenants hereinafter contained and made, and subject to all the terms and conditions hereof, the parties hereto do hereby agree as follows:

1. The City Council of City hereby appoints David N. Ream to the Office of the City Manager of the City of Santa Ana pursuant to Section 500 of the Charter of the City for a period of three (3) years commencing on March 1, 1989, and expiring on February 29, 1992, unless otherwise extended as herein provided.

2. David N. Ream hereby accepts appointment as City Manager of the City of Santa Ana.

3. The salary of the Office of the City Manager of the City of Santa Ana is hereby fixed and established at Nine Thousand Three Hundred Twenty Dollars (\$9,320.00) per month which shall be paid in the same manner and at the same times as other monthly salaries in the city are paid.

4. From and after July 1, 1989, said officer shall receive the same percentage salary adjustments provided the class designated as Executive Management.

5. That the city shall pay to the Public Employees' Retirement System on behalf of said officer an amount equal to seven percent (7%) times the compensation upon which such retirement contributions are calculated. Such payments are not an increase in base salary.

6. In addition to the salary hereinabove fixed and established for said office, said officer shall receive, as additional compensation, the following employee benefits:

(a) Deferred Compensation

Said officer shall receive an annual deferred compensation of Seven Thousand Five Hundred Dollars (\$7,500.00). The amounts contributed by the city under this provision shall be subject to the terms and conditions of the City of Santa Ana Deferred Compensation Plan, and subject further to the conditions that:

- i. Said officer shall not have any vested right in the amounts contributed by the city until termination of employment with the city; and
- ii. The city will pay the total amount of contributions plus any earnings thereon to said officer upon termination, resignation, retirement, dismissal or death.

(b) Health Insurance & Dental Insurance

Said officer shall receive the same health and dental insurance benefits, upon the same terms and

conditions, as provided the class designated as Executive Management.

(c) Disability Insurance

The city shall pay the full premium for a long-term disability insurance plan for said officer.

(d) Automobile

The city shall provide, at said officer's option, the amount of automobile allowance authorized from time to time by the City Council, or in lieu thereof an automobile for said officer's exclusive use.

(e) Life Insurance

The city shall provide the same life insurance coverage for said officer, upon the same terms and conditions, as provided the class designated as Executive Management.

(f) Holidays

Said officer shall receive the same holidays, upon the same terms and conditions, as provided the class designated as Executive Management.

(g) Vacation and Option

Said officer shall receive vacation benefits and vacation pay option, as provided in the class designated as Executive Management, except may accrue earned vacation time to an unlimited level and shall be paid for any unused accrued vacation

upon termination of employment whether for cause or not or by a voluntary termination.

(h) Sick Leave Benefit

Said officer shall receive the same sick leave benefit, upon the same terms and conditions, as provided the class designated as Executive Management, including provisions governing accrual of sick leave and payment therefor upon termination of employment whether for cause or not or by a voluntary termination.

(i) Indemnification

The city shall defend, hold harmless and indemnify said officer against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of said officer's duties. The city may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered therefrom.

(j) Carry Over Benefits

In addition to the benefits specified in subparagraphs (a) through (i) hereinabove, said officer shall receive any and all benefits accorded unrepresented executive management employees of the city who are miscellaneous members of the Public

Employees' Retirement System (PERS), except said officer shall not be entitled to participate in the management performance bonus plan.

7. On March 1, 1990 unless the City Council gives said Officer written notice of its decision not to extend this agreement, this agreement shall be extended to February 28, 1993. On each succeeding March 1st, unless the City Council gives said officer written notice of its decision not to so extend this agreement, then this agreement shall be extended an additional year.

8. Pursuant to the terms of the City Charter the City Council may terminate this agreement at any time for cause if said officer commits any of the following acts:

- (a) Fraud in securing this appointment.
- (b) Loss of mental capacity for more than six consecutive months as determined by a court of competent jurisdiction.
- (c) Habitual and willful neglect of duty.
- (d) Willful destruction or misuse of city property.
- (e) Habitual drunkenness on duty, whether by alcohol or non-prescription drugs.
- (f) Inexcusable absence without leave.
- (g) Political activity involving the support of candidates for City Council or Charter amendments, unless such Charter amendments are proposed or opposed by a majority of the City Council.

(h) Willful violation of the State or Federal discrimination laws concerning race, religious creed, color, national origin, ancestry, physical handicap, marital status, sex or age concerning either members of the general public or city employee(s) while acting in the course and scope of employment, and while acting without the prior approval or direction of the City Council.

(i) Willful and unlawful retaliation against any other city officer or employee or member of the general public who in good faith reports, discloses, divulges, or otherwise brings to the attention of any appropriate authority any facts or information relative to actual or suspected violations of any law occurring on the job or directly related thereto.

(j) Willful violation of any conflict of interest or incompatibility of office laws.

(k) Performance of outside business interests that conflict directly with the activities and duties as City Manager; but not including educational or professional training programs conducted by the manager whether for personal financial gain or not.

(l) Refusal to take or subscribe any oath or affirmation which is required by law.

(m) Conviction of a felony or conviction of a misdemeanor involving moral turpitude (a conviction

following a plea of nolo contendere is deemed a conviction).

In order to terminate the officer for any of the above reasons the termination must occur during a period of one year after a majority of the city council becomes aware or should have become aware of the event(s) for which the termination could occur.

If the officer does not agree with the reason(s) for the termination then the officer may exercise any legal rights that he may have in order to be reinstated to the position. If litigation occurs then the prevailing party shall be awarded its reasonable attorney fees.

9. In the event said officer is terminated by the City Council before expiration of the term of employment and during such time that said officer is willing and able to perform his duties under this agreement, then in that event the City agrees to pay said officer a lump sum cash payment equal to the remaining months on the term of this agreement.

In addition the City shall provide at no cost to the officer the same health and medical insurance program or its equivalent then in effect for a period of six months.

In the event said officer is terminated for any reason set forth in paragraph 8 hereinabove the City shall have an obligation to pay to the officer an aggregate severance sum equal to three (3) months of pay and shall maintain the same health and medical insurance program or its equivalent then in effect for the period of three months.

10. In the event the City Council at any time during the term of this agreement reduces the salary or other financial benefits of said officer in a greater percentage than an applicable across-the-board reduction for all employees of the City, or in the event the City Council refuses, following written notice, to comply with any other provision benefitting said officer herein, or said officer resigns following a suggestion by a majority of the City Council that he resign, made in an open meeting of the City Council or in writing, then, in that event, said officer may, at his option, be deemed to be "terminated" within the meaning of paragraph 9 hereinabove.

11. In the event said officer voluntarily resigns his position with the City before expiration of the term of this agreement, then said officer shall give the City Council three (3) months notice in advance, unless the parties otherwise agree.

12. The City covenants to take such action as may be necessary to include all benefits to said officer hereunder during any fiscal year of the City in its annual budget for such year and to make the necessary annual appropriations for all such benefits.

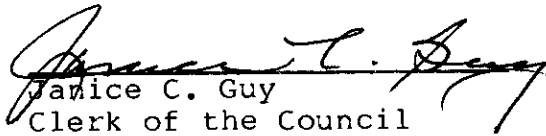
13. In the event that this contract is ruled not enforceable or otherwise invalid by a court of competent jurisdiction, then the employment of the officer as City Manager shall be pursuant to the provision of City Council Resolution number 86-65, effective

July 12, 1986, and City Council Resolution number 88-79, effective November 21, 1988.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year first above written.

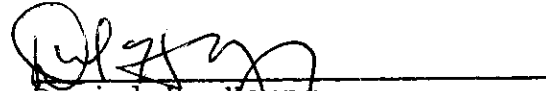
CITY OF SANTA ANA

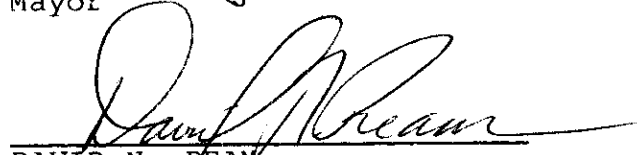
ATTEST:


Janice C. Guy
Clerk of the Council

APPROVED AS TO FORM:


Edward J. Cooper
City Attorney


Daniel H. Young
Mayor


DAVID N. REAM

APPROVED AS TO FORM:


GERALD A. WOLF, ESQ.