SEVENTH AMENDMENT TO
EMPLOYMENT AGREEMENT

RECITALS

A. CITY and EMPLOYEE entered into an EMPLOYMENT AGREEMENT as of July 1, 2002.

B. Said AGREEMENT establishes the form and amount of compensation and benefits payable by CITY to and on behalf of EMPLOYEE.

C. Said AGREEMENT requires CITY to pay one hundred percent (100%) of both employer's and EMPLOYEE'S contribution to the Public Employees Retirement System.

D. Effective July 1, 2011, CITY and Rolling Hills Estates Employees' Association agreed to reduce Employer Paid Member Contribution to the Public Employees Retirement System made on behalf of all employees of CITY from seven percent (7%) to zero in exchange for a seven percent (7%) increase in salary for all employees. Said adjustments were made administratively and reflected in EMPLOYEE'S salary and PERS contributions on that date.

E. Effective July 1, 2012 CITY and Rolling Hills Estates Employees' Association agreed to increase all employees' salaries by two percent (2%) as a cost of living adjustment in recognition of the 2.1% increase in the Consumer Price Index measured from January 2011 to January 2012.

F. CITY and EMPLOYEE agree to adjust EMPLOYEE'S benefits in the manner described below to formalize the changes described in Recitals D and E.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties agree as follows:

That EMPLOYMENT AGREEMENT entered into between CITY and EMPLOYEE as of July 1, 2002, is hereby amended in the following particulars only:

1) Paragraph C of Section 4 is hereby amended to read as follows:

   "Public Employees Retirement System-(PERS). In accordance with the provisions of Paragraph E of this Section 4, and in recognition of the Memorandum of Understanding negotiated between CITY and Employees' Association for Fiscal Year 2011-12, effective July 1, 2011, EMPLOYEE shall pay the required seven percent (7%) EMPLOYEE'S contribution to PERS in exchange for a seven percent (7%) salary increase. CITY shall continue to pay one hundred percent (100%) of Employer's contribution to PERS."

2) The first sentence of Paragraph A of Section 4 is hereby amended to read as follows:

   "Salary. CITY agrees to pay EMPLOYEE for the services required by this AGREEMENT a monthly base salary of $16,315 (sixteen thousand three hundred fifteen dollars) payable in accordance with the CITY'S general payroll schedule."

All other terms and conditions of said AGREEMENT and valid amendments shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this SEVENTH AMENDMENT to said EMPLOYMENT AGREEMENT as of July 1, 2012.

CITY:

MAYOR, ROLLING HILLS ESTATES

EMPLOYEE:

DOUGLAS R. PRICHARD

ATTEST:

DEPUTY CITY CLERK, ROLLING HILLS ESTATES

APPROVED AS TO FORM:

CITY ATTORNEY, ROLLING HILLS ESTATES