

EMPLOYMENT CONTRACT

This Employment Contract (the "**Contract**") is made and entered into as of the ___ day of February, 2012 and effective as of March 1, 2012 (the "**Effective Date**"), by and between the Housing Authority of the City of Galveston, Texas d/b/a Galveston Housing Authority, a public body organized and existing under the laws of the State of Texas (the "**Housing Authority**") and Stanley A. Lowe (the "**Employee**").

Whereas, the Housing Authority, as a tax-exempt municipal housing authority organized under Chapter 392 of the Texas Local Government Code ("**Chapter 392**"), is engaged in the public service of providing safe, decent, sanitary and affordable housing to low and very-low income families in the City of Galveston, Texas (the "**City**");

Whereas, pursuant to Chapter 392, the duly appointed Board of Commissioners of the Housing Authority (the "**Board**") is authorized to employ the secretary of the Board of Commissioners and executive director to oversee the administration and operation of the Housing Authority and its affiliated and subsidiary entities;

Whereas, the Board desires to retain Employee to serve as the Housing Authority's secretary of the Board of Commissioners and executive director, with the title of "Executive Director" and having an initial employment date of March 1, 2012 (the "**Initial Employment Date**"); and

Whereas, Employee is willing to be employed by the Housing Authority as its Executive Director on the terms and conditions set forth herein;

Now, therefore, for the reasons set forth above, and in consideration of the mutual promises, obligations and agreements set forth herein, the Housing Authority and Employee hereby agree as follows:

SECTION 1: EMPLOYMENT

1.1 The Housing Authority hereby employs Employee and Employee hereby accepts and agrees to serve and perform the duties and responsibilities of Executive Director as set forth herein.

SECTION 2: DUTIES AND RESPONSIBILITIES

2.1 Employee agrees that he will at all times faithfully, industriously, and to the best of his ability, experience, and talents, perform the full-time duties that are or may be required of him as Executive Director. Employee may not be employed by, or perform any material services for compensation for, any entity or person besides the Housing Authority or its affiliates during the term of this Contract except as provided herein. Employee may accept personal speaking engagements as determined on a case by case basis as long as said engagements do not conflict with the business and policies of the Housing Authority. The Board of Commissioners shall be notified of any invitations in advance of each engagement. Any speaking engagement accepted by Employee shall be conducted during Employee's personal time and shall be at the expense of

the Employee. Nothing herein shall prevent Employee from serving as a board member of a public non-profit or non-profit entity, or from performing services as a volunteer, provided that such services do not materially interfere with Employee's duties hereunder. If the Employee desires to serve as a board member of a private entity while employed by the Housing Authority, he may do so provided that: (1) such board service is not prohibited by the Code of Ethics for Board of Commissioners of the Housing Authority of the City of Galveston (the "*Code of Ethics*") and the Authority's Personnel Policy (the "*Personnel Policy*"); and (2) the outside board service has been fully disclosed by the Employee to, and approved by, the Board.

2.2 In the position of Executive Director, Employee shall be responsible for a wide-range of public administration activities on behalf of the Housing Authority as set forth in the Executive Director Job Description (the "*Job Description*"), a copy of which is attached hereto and incorporated by reference. These activities shall include, but not be limited to the following: (1) leading and overseeing all operations and functions of the Housing Authority; (2) reporting and responding to the Board; (3) leading and managing the Housing Authority's workforce and contractors; (4) acting as a liaison with federal, state and local governmental agencies; (5) managing and overseeing grants; (6) working with the community and groups on affordable housing issues; (7) leading redevelopment and modernization programs; (8) completing and executing all required reports; and (9) working with legal counsel in Housing Authority matters requiring general legal services, review, assistance, or defense. Employee shall also perform such other and further duties as may be reasonably assigned by the Board in the furtherance of the above-referenced duties and responsibilities.

2.3 Employee is further responsible for the administration and management of all affiliates, instrumentalities and subsidiaries of the Housing Authority, including, but not limited to: (1) Galveston Redevelopment and Community Enterprise Corporation, a Texas nonprofit corporation; and (2) Galveston Public Facility Corporation, a Texas nonprofit and public facility corporation.

2.4 The Board will conduct an early evaluation of the Employee's performance and, at a duly-called meeting, discuss the Initial Evaluation with the Employee.

2.5 Employee understands that he will serve as the primary spokesperson for the Housing Authority. As such, the Employee will be expected to live and maintain his residence in the City of Galveston and establish residency to the State of Texas.

SECTION 3: TERM

3.1 The term of this Contract is for two (2) years from the Effective Date of March 14, 2012, unless terminated earlier as set out below in Section 3.2. The Contract may be renewed annually at the discretion of the parties.

3.2. The Contract may be terminated in one of the following manners:

3.2.1. Both Parties may mutually agree in writing to terminate the Contract.

3.2.2. Employee may terminate the Contract, for any reason and at any time, by giving thirty (30) days advance written notice to the Housing Authority. If the Employee invokes his right to terminate the Contract pursuant to this paragraph, he will not be paid any compensation or be provided any benefits after his last day of active employment with the Housing Authority.

3.2.3 (Termination with Cause) The Housing Authority may terminate this Contract upon fifteen (15) days advance written notice to Employee, and after a reasonable opportunity of at least ten (10) days to cure, if there is Cause to justify the termination of Employee's services. The notice of dismissal with Cause to Employee must briefly state the facts supporting the Cause for termination. For purposes of this Contract, the term "Cause" means that, in the good faith judgment of the Board, Employee, (i) breaches this Contract; (ii) engages in any act of dishonesty or is convicted of any felony; (iii) is convicted of a crime of moral turpitude; or (iv) conducts himself in an unprofessional or unethical manner or violates the Code of Ethics.

3.2.4 (Termination without Cause) After one year, the Housing Authority has the right to terminate this Contract upon fifteen (15) days advance notice. In the event of termination without Cause, Employee shall be entitled to the lesser amount of (i) a sum equal to his salary and benefits as set out in Sections 4.2.1A, B, C and D for the remaining term of the agreement; or (ii) twelve (12) months base salary and benefits as set out in Sections 4.2.1A, B, C and D. Any payments of salary to Employee under this paragraph shall be in full and final settlement of all claims of the Employee arising under this Contract, including any claim for pre-termination or post-termination due process, and shall act as a waiver and release of all claims related to this Contract. The Housing Authority will require the Employee to execute a formal written waiver and release prior to payment of the lump sum amount, and condition payment of the lump sum amount upon execution of the written waiver and release. No other benefit, reimbursable expense, or other emolument shall be paid to the Employee other than specified in this paragraph.

SECTION 4: COMPENSATION OF BENEFITS

4.1 Employee's base salary will be \$135,000.00 per year, which will be paid in accordance with the Housing Authority's regular pay practices for its full-time regular managerial employees. Within ninety (90) days of the anniversary date of the Initial Employment Date of each year covered by this Contract, the Board will consider whether to increase Employee's base salary, with the decision whether to increase the base salary and the amount of any such increase to be in the sole judgment and discretion of the Board, based upon the evaluation of the Employee's performance. Furthermore, the annual increase to the Employee's base salary shall not be less than the cost of living increases granted to federal employees in general.

4.2 In addition to the foregoing base compensation, Employee shall be entitled to the following additional compensation and benefits:

4.2.1 Employee shall be entitled to any compensation and benefits that are available to regular full-time Housing Authority salaried-exempt executive-level employees, to include group health and life insurance, paid time off ("PTO"), which encompasses both sick and holiday leave, and pension benefits, such benefits to include, at a minimum, the following:

- A. Retirement Benefits – An amount equal to thirteen percent (13%) of the Employee's annual gross income will be contributed by the Housing Authority to the Employee's retirement fund, by the Housing Authority, per pay period. Any and all amounts contributed by the Housing Authority under this section vest pursuant to the existing pension plan policy and its rules. The retirement benefits under this section become effective after six (6) months of employment.
- B. Health – The Housing Authority will provide health insurance on an annual basis for Employee and will provide for optical insurance on an annual basis for the Employee.
- C. Dental – The Housing Authority will provide for dental insurance for Employee on an annual basis, said dental insurance to include coverage for orthodontics pursuant to the existing plan rules and regulations.
- D. Annual Leave – The employee will accrue one hundred sixty (160) hours of annual leave each year. All annual leave must be used by December 30th of the year of accrual unless otherwise authorized by the Board no later than sixty (60) days before year end. Any accrued unused Annual Leave will be paid pursuant to the Personnel Policy in effect for all Housing Authority employees or the terms of this Contract in the event of termination.
- E. Sick Leave – The Employee will accrue each year pursuant to the Personnel Policy. Any accrued unused sick leave will be paid pursuant to the Personnel Policy in effect for all Housing Authority employees or the terms of this Contract in the event of termination. Employees are entitled to take sick leave only upon completion of the probationary period.
- F. Holidays – The Employee will be entitled to the Housing Authority's schedule of twelve (12) regular paid holidays plus one (1) personal day per each six month period.
- G. Equipment – Employee will be provided, consistent with the Housing Authority's procurement policies and regulations, with a new Dell laptop computer and with a cellular phone/mobile device with email capability (i.e., a "blackberry" or equivalent device) and service for the mobile communication device.

4.2.2 Employee shall be entitled to reimbursement for food, entertainment, and similar expenses that are reasonable and related to the business of the Housing Authority, with any reimbursements to be paid only upon presentation of receipts or other proper support documentation of the expense.

4.2.3 Employee shall be reimbursed for the costs and expenses incurred by him and related to travel outside the City for business related to the Housing Authority to be paid only upon presentation of receipts or other proper support documentation of the expense. This includes reimbursement for food, and lodging expenses related to his travel for the Housing Authority. For any business related travel, Employee is entitled to the daily per diem in accordance with the GHA Travel Policy as set forth in the GHA Personnel Policy & Procedures.

4.2.4 Employee will be reimbursed for all professional fees and dues needed to maintain any professional licenses currently held by Employee.

4.2.5 Employee shall have the business use of a Housing Authority vehicle reasonably acceptable to Employee. Housing Authority will pay all costs of gasoline, maintenance and insurance for the Housing Authority fleet vehicle. Employee is entitled to use the vehicle only for his business use.

4.2.6 Relocation. The Housing Authority agrees to reimburse the Employee a relocation compensation payment for the costs of moving expenses and other expenses related to the relocation. The relocation compensation payment shall be in an amount not to exceed \$7,500.00. The relocation compensation payment shall be paid only upon presentation of receipts for eighty percent (80%) of expendables. The relocation compensation payment shall be made payable to the Employee no later than thirty (30) days after submission of receipts.

4.2.7 Temporary Housing. The Housing Authority agrees to reimburse the Employee for temporary housing for thirty (30) days. Employee shall be responsible for locating the temporary housing. Employee shall be responsible for the cost of the temporary housing should the Employee reside in temporary housing for a period that exceeds thirty (30) days. The Employee shall present receipts or a short-term lease for reimbursement for the temporary housing.

4.2.8 Annual Incentive Pay. Annual incentive pay of up to five percent (5%) of the Executive Director's annual base salary, based on performance and/or completion of goals and objective set forth by the Board of Commissioners. The decision whether to pay any annual incentive pay will be made by the Board in December of each year covered by this Agreement, with the decision whether to award incentive pay and amount of such pay to be in the sole judgment and discretion of the Board.

SECTION 5: MISCELLANEOUS

5.1 Notice. Any notice or notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered and certified, postage prepaid with return receipt requested. Mailed notices shall be addressed to the last address provided by the parties to each other in writing. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated three (3) days after mailing.

5.2 Assignment. This Contract shall not be assignable by Employee.

5.3 No Waiver of Sovereign Immunity. The Housing Authority does not waive its sovereign immunity by executing this Contract.

5.4 Entire Contract. This Contract contains the entire understanding of the parties regarding the subject of the Contract and shall supersede and replace all other agreements or

understandings of whatever nature, whether written or oral, it being the intent of the parties that any such prior agreements are merged into and replaced by this Contract.

5.5 Modifications. This Contract may not be modified except in writing signed by Employee and the Chairman of the Board pursuant to Board resolution. In addition, any extension of the term of the Contract must be approved by the Board pursuant to Board resolution.

5.6 Savings Clause. If, for any reason, any provision of this Contract is held invalid, either in whole or in part, such invalidity shall not affect any other provision of this Contract not held to be invalid and each such other provision shall continue in full force and effect.

5.7 Arbitration of Disputes. Any controversy or claim arising out of, or relating to the interpretation or meaning of this Contract shall be settled by binding arbitration before a single arbitrator. The arbitration shall take place in Galveston, Texas. The arbitration will be conducted by and in accordance with the rules for employment disputes of the American Arbitration Association or Texas Arbitration and Mediation Service. The costs and expenses of the arbitration proceeding, such as the costs and expenses of the arbitration service, arbitrator, and court reporter, will be paid by the Housing Authority.


However, each party to the dispute will be responsible for its or his own attorneys' fees and legal expenses. The arbitrator's determination of the dispute will be final and binding, and a judgment may be entered upon the arbitrator's determination in any court of competent jurisdiction.

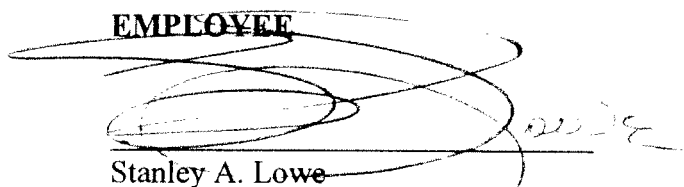
5.8 Governing Law. This Contract shall be governed by, and interpreted in accordance with the provisions of, the law of the State of Texas, without reference to provisions that refer a matter to the law of any other jurisdiction.

5.9 Employee's Representations and Warranties. The Employee represents and warrants the Employee is legally free to make and perform this Contract, that the Employee has no obligation to any other person or entity that would affect or conflict with any of the Employee's obligations hereunder, and that the complete performance of the Employee's obligations hereunder will not violate any law, regulation, order or decree of any governmental or judicial body or contract by which the Employee is bound.

IN WITNESS WHEREOF, the parties have duly executed this Contract by their duly authorized signatories on or as of the date first written above.

**HOUSING AUTHORITY OF THE
CITY OF GALVESTON**


Betty Massey, Chair
GHA Board of Commissioners

~~EMPLOYEE~~

Stanley A. Lowe

ATTACHMENTS

Job Description

GHA Panel Personnel Policy