



FORT ORD REUSE AUTHORITY

920 2nd Avenue, Suite A, Marina, CA 93933

Phone: (831) 883-3672 | Fax: (831) 883-3675 | www.fora.org

SPECIAL MEETING FORT ORD REUSE AUTHORITY BOARD OF DIRECTORS

Thursday, December 18, 2015 at 1:00 p.m.

920 2nd Avenue, Suite A, Marina, CA 93933 (FORA Community Information Center)

AGENDA

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

5. BUSINESS ITEMS

- a. 2nd Vote: Approve One Year Renewal of Preston Park Management Agreement with Alliance Communities, Inc. (pg. 1-2) ACTION
- b. 2nd Vote: Authorize Preston Park Budget Amendment for Compliance Work (pg. 3-6) ACTION
- c. 2nd Vote: Approve Corrective Amendment to Executive Officer Contract (pg. 7-22) ACTION

6. PUBLIC COMMENT PERIOD

Members of the public wishing to address the Board on matters within its jurisdiction, but not on this agenda, may do so for up to 3 minutes. Comments on agenda items are heard under the item.

7. ITEMS FROM MEMBERS

8. ADJOURNMENT

NEXT BOARD MEETING: JANUARY 9, 2015

Persons seeking disability related accommodations should contact FORA prior to the meeting. Meeting materials are available online at www.fora.org.

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject: 2nd Vote: Approve One Year Renewal of Preston Park Management Agreement with Alliance Communities, Inc

Meeting Date: December 18, 2014

Agenda Number: 5a

ACTION

RECOMMENDATION:

Authorize the Executive Officer to renew the Alliance/FORA Preston Park Management Agreement for one year.

BACKGROUND/DISCUSSION:

The Preston Park Management Agreement (PPMA) is submitted for a 2nd vote as it did not receive a unanimous vote on Friday December 12, 2014. The vote on the management agreement was 9-3 (with Morton, O'Connell, and Parker dissenting).

The 2014 PPMA between FORA and Alliance Communities, Inc. (Alliance) will expire on December 31, 2014. FORA and the City of Marina are finalizing a settlement agreement for the City of Marina to buy out FORA's ownership interests in Preston Park and settle the current litigation. The settlement agreement will contain provisions permitting the new owner to assume Preston Park's existing contracts. The provisions of the renewal contract are the same as the current year except for the term (**Section 2.Term - Attachment A**). Renewing the current PPMA will permit continued operation of the property during this time period and permit an orderly transition for a new owner. *The contract has provisions for either party to terminate the relationship with notice as defined at the Board meeting on 12/12/14.*

Because of the length of the document the full 28 pages are displayed on the FORA website at the link below:

<http://fora.org/Board/2014/Packet/Additional/121214item8ePrestonParkManagementAgreement-AttachA.pdf>

FISCAL IMPACT: Reviewed by FORA Controller 

Staff time for this item is included in the approved FORA budget.

COORDINATION:

FORA Controller, Authority Counsel, FORA Auditor, and Alliance Management Staff.

Prepared by


Robert J. Norris, Jr

Approved by


Michael A. Houlemard, Jr.

**PRESTON PARK
MANAGEMENT AGREEMENT**

Attachment A to Item 5a
FORA Board Meeting, 12/18/2014

THIS MANAGEMENT AGREEMENT ("Agreement") is dated for reference on _____, 2014. It is made by and between the Fort Ord Reuse Authority, a California public entity, ("Owner") and Alliance Communities, Inc., a Delaware corporation, ("Operator").

RECITALS

1. Owner holds exclusive title to certain improved real property commonly known as Preston Park consisting of 354 units ("Units") at 682 Wahl Court, Marina, CA 93933 (the "Property").
2. Owner requires the services of a professional management company to perform administrative and financial services. Owner has determined that Operator has the requisite skill, training experience and legal authority, including a California real estate brokerage license, needed to manage the Property.
3. The purpose of this Agreement is to articulate the terms under which Owner and Operator will share responsibilities for the Property.

AGREEMENT

In consideration of the promises in this Agreement and for other good and valuable consideration, the receipt of which is hereby acknowledged, Operator and Owner agree as follows:

1. APPOINTMENT OF OPERATOR. Owner appoints Operator and Operator hereby accepts appointment as Owner's exclusive agent to manage, operate, supervise, and lease the Property and to perform those actions necessary to fulfill Operator's obligations to the Owner except as provided herein.

2. TERM

2.1 TERM. *This Agreement shall commence on January 1, 2015, and shall continue to midnight, December 31, 2015 or until the Fort Ord Reuse Authority ("FORA") transfers title to the Property in which case the new owner can assume the contract.*

2.2 EARLY TERMINATION. This Agreement is terminable on the occurrence of any of the following:

(a) If Owner fails to comply, after notice and an opportunity to cure, with any rule, order, determination, ordinance or law of any federal, state, county, or municipal authority. In that event, Operator may terminate this Agreement upon thirty (30) days written notice to Owner unless

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject:	2 nd Vote: Authorize Preston Park Budget Amendment For Compliance Work	
Meeting Date:	December 18, 2014	ACTION
Agenda Number:	5b	

RECOMMENDATION:

Authorize the transfer of up to \$300,000 from the Preston Park FY 2013-14 Capital Improvement Program budget to the Preston Park Operating Budget to bring the property into compliance with California/Marina Coast Water District (MCWD) Drought Regulations.

BACKGROUND/DISCUSSION:

This item is submitted for a 2nd vote as it did not receive unanimous approval at the December 12, 2014 board meeting.

MCWD has informed Alliance Management that the plan to phase in water conservation devices (low-flow toilets, aerators, and shower heads) must be accelerated if the property is to be sold or transferred to a new owner. MCWD Board member and FORA Ex-officio member Tom Moore indicated his willingness to assist in processing a possible waiver. That option is uncertain. In order to bring the property into compliance with California and MCWD regulations (**Attachment A**), all 354 units must be in compliance prior to the close of escrow on the sale or transfer to new ownership.

There are savings in the FY 2013-14 Capital Improvement Program due to lower than anticipated window and door replacement costs. Staff recommends a transfer of up to \$300,000 from the Capital Improvement Program Budget to the Operating Budget to perform the compliance work prior to the estimated close of escrow (**Attachment B**). The changes in the Capital Improvement Program Budget are displayed in (**Attachment C**) available at the FORA website using the link below:

<http://fora.org/Board/2014/Packet/Additional/1212148fAttachC-PrestonParkCIP092514.pdf>

<http://fora.org/Board/2014/Packet/Additional/1212148fAttachC-PrestonParkCIP112114.pdf>

FISCAL IMPACT: Reviewed by FORA Controller 

Staff time for this item is included in the approved FORA budget.

COORDINATION:

FORA Controller, Authority Counsel, FORA Auditor, and Alliance Management Staff.

Prepared by 
Robert J. Norris, Jr.

Approved by 
Michael A. Houlemard, Jr.

Marina Coast Water District
11 Reservation Road, Marina, CA 93933
Phone (831) 384-6131
www.mcwd.org



Retrofit Requirements for Property Transfers

The following plumbing retrofits are required, prior to the close of title, for the sale or transfer of existing residential or commercial property within the jurisdiction of the Water District

Residential Retrofit Requirements

- All toilets must be retrofitted with toilets with a maximum flush capacity of 1.6 gallons per flush or less. No flush devices or conversion devices of any other kind will be accepted.
- All showerheads must be retrofitted with low-flow showerheads with a maximum flow capacity of 2.5 gallons per minute or less. These low-flow showerheads must also have a shut-off button. Installing flow restrictors in existing showerheads does not satisfy the requirement.

Commercial Retrofit Requirements

- Conventional urinals must be replaced with zero-water-use urinals
- Conventional clothes washers must be replaced with high-efficiency clothes washers.
- All toilets must be retrofitted with toilets with a maximum flush capacity of 1.6 gallons per flush or less. No flush devices or conversion devices of any other kind will be accepted.
- All showerheads must be retrofitted with low-flow showerheads with a maximum flow capacity of 2.5 gallons per minute or less. These low-flow showerheads must also have a shut-off button. Installing flow restrictors in existing showerheads does not satisfy the requirement.

Once the property has been retrofitted, Please call the District at (831) 384-6131 to schedule a Water Conservation Certification inspection.

**PRESTON PARK
2014 STANDARD BUDGET
CONSOLIDATION & SIGN-OFF**



Description	2014 Total	2013 Projected	Variance	Variance %
Physical Occupancy	98.04 %	98.96 %		
Economic Occupancy	97.32 %	96.13 %		

Description	2014 Total	2013 Projected	Variance	Variance %
Gross Market Potential	\$5,816,930	\$5,643,882	\$173,048	3.1%
Market Gain/Loss to Lease	\$16,124	(\$111,087)	\$127,210	114.5%
Affordable Housing	\$0	\$0	\$0	0.0%
Non-Revenue Apartments	(\$56,187)	(\$47,422)	(\$8,765)	-18.5%
Rental Concessions	\$0	(\$148)	\$148	100.0%
Delinquent Rent	\$0	\$0	\$0	0.0%
Vacancy Loss	(\$114,328)	(\$57,783)	(\$56,546)	-97.9%
Prepaid/Previous Paid Rent	\$0	\$0	\$0	0.0%
Other Months' Rent/Delinquency Recovery	\$0	\$0	\$0	0.0%
Bad Debt Expense	(\$1,750)	(\$2,034)	\$284	14.0%
Other Resident Income	\$36,750	\$33,163	\$3,587	10.8%
Miscellaneous Income	\$316,142	\$10,901	\$305,241	2800.2%
Corp Apartment Income	\$0	\$0	\$0	0.0%
Retail Income	\$0	\$0	\$0	0.0%
TOTAL INCOME	\$6,013,680	\$5,469,472	\$544,208	9.9%
PAYROLL	\$520,430	\$488,934	(\$31,495)	-6.4%
LANDSCAPING	\$73,836	\$70,790	(\$3,046)	-4.3%
UTILITIES	\$94,359	\$93,918	(\$441)	-0.5%
REDECORATING	\$78,203	\$76,418	(\$1,785)	-2.3%
MAINTENANCE	\$100,785	\$94,468	(\$6,317)	-6.7%
MARKETING	\$15,290	\$15,398	\$108	0.7%
ADMINISTRATIVE	\$85,423	\$59,907	(\$25,516)	-42.6%
RETAIL EXPENSE	\$0	\$0	\$0	0.0%
PROFESSIONAL SERVICES	\$150,342	\$136,888	(\$13,454)	-9.8%
INSURANCE	\$194,472	\$190,686	(\$3,786)	-2.0%
AD-VALOREM TAXES	\$105,324	\$105,747	\$423	0.4%
NON ROUTINE MAINTENANCE	\$372,374	\$53,064	(\$319,310)	-601.7%
TOTAL OPERATING EXP	\$1,790,838	\$1,386,219	(\$404,619)	-29.2%
NET OPERATING INCOME	\$4,222,842	\$4,083,253	\$139,589	3.4%
DEBT SERVICE	\$0	\$0	\$0	0.0%
DEPRECIATION	\$324,420	\$355,066	\$30,646	8.6%
AMORTIZATION	\$0	\$0	\$0	0.0%
PARTNERSHIP	\$0	\$0	\$0	0.0%
EXTRAORDINARY COST	\$0	\$0	\$0	0.0%
NET INCOME	\$3,898,422	\$3,728,187	\$170,236	4.6%
CAPITAL EXPENDITURES	\$1,229,952	\$4,162,505	\$2,932,553	70.5%
MORTGAGE PRINCIPAL	\$0	\$0	\$0	0.0%
TAX ESCROW	\$0	\$0	\$0	0.0%
INSURANCE ESCROW	\$0	\$0	\$0	0.0%
INTEREST ESCROW	\$0	\$0	\$0	0.0%
REPLACEMENT RESERVE	\$734,976	\$734,976	\$0	0.0%
REPLACEMENT RESERVE REIMBURSEM	(\$1,229,952)	(\$4,162,505)	(\$2,932,553)	-70.5%
WIP	\$0	\$0	\$0	0.0%
OWNER DISTRIBUTIONS	\$3,487,866	\$3,348,276	(\$139,590)	-4.2%
DEPRECIATION AND AMORTIZATION	(\$324,420)	(\$355,066)	(\$30,646)	-8.6%
NET CASH FLOW	\$0	\$0	(\$0)	-44.9%

Approvals

Owner _____ Date _____

Asset Manager _____ Date _____

COO _____ Date _____

VP _____ Date _____

Regional Manager _____ Date _____

Business Manager _____ Date _____

Alliance Residential, LLC makes no guarantee, warranty or representation whatsoever in connection with the accuracy of this Operating Budget as it is intended as a good faith estimate only.

**PRESTON PARK
2014 STANDARD BUDGET
CONSOLIDATION & SIGN-OFF**



Description	2014 Total	2013 Projected	Variance	Variance %
Physical Occupancy	98.04 %	98.96 %		
Economic Occupancy	97.32 %	96.13 %		

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Other Resident Income	\$36,750	\$33,163	\$3,587	10.8%
Miscellaneous Income	\$8,450	\$10,901	(\$2,451)	-22.5%
Corp Apartment Income	\$0	\$0	\$0	0.0%
Retail Income	\$0	\$0	\$0	0.0%
TOTAL INCOME	\$5,705,989	\$5,469,472	\$236,517	4.3%
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LANDSCAPING	\$73,836	\$70,790	(\$3,046)	-4.3%
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REDECORATING	\$78,203	\$76,418	(\$1,785)	-2.3%
MAINTENANCE	\$100,785	\$94,468	(\$6,317)	-6.7%
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RETAIL EXPENSE	\$0	\$0	\$0	0.0%
PROFESSIONAL SERVICES	\$142,650	\$136,888	(\$5,762)	-4.2%
INSURANCE	\$194,472	\$190,686	(\$3,786)	-2.0%
AD-VALOREM TAXES	\$105,324	\$105,747	\$423	0.4%
NON ROUTINE MAINTENANCE	\$72,375	\$53,064	(\$19,311)	-36.4%
TOTAL OPERATING EXP	\$1,483,147	\$1,386,219	(\$96,927)	-7.0%
NET OPERATING INCOME	\$4,222,842	\$4,083,253	\$139,589	3.4%
DEBT SERVICE	\$0	\$0	\$0	0.0%
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OWNER DISTRIBUTIONS	\$3,487,866	\$3,348,276	(\$139,590)	-4.2%
DEPRECIATION AND AMORTIZATION	(\$324,420)	(\$355,066)	(\$30,646)	-8.6%
NET CASH FLOW	\$0	\$0	(\$0)	-89.2%

Approvals

Owner _____ Date _____

Asset Manager _____ Date _____

COO _____ Date _____

VP _____ Date _____

Regional Manager _____ Date _____

Business Manager _____ Date _____

Alliance Residential, LLC makes no guarantee, warranty or representation whatsoever in connection with the accuracy of this Operating Budget as it is intended as a good faith estimate only.

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject:	2 nd Vote: Approve Corrective Amendment to Executive Officer Contract	
Meeting Date:	December 18, 2014	ACTION
Agenda Number:	5c	

RECOMMENDATION:

Take a second vote to approve corrective amendment to Executive Officer's contract.

BACKGROUND:

At its December 12, 2014 meeting, the Fort Ord Reuse Authority (FORA) Board voted on the Executive Officer's (EO) contract correction (**Attachment A**). That first vote was not unanimous, and the item returns for a second vote as provided in State Law.

DISCUSSION:

The Executive Officer's contract was consolidated in December 2013 to clarify the terms of his employment contract and to incorporate previous amendments, State Law updates, and FORA policy changes. During this process, provisions in the prior contracts that provided for merit adjustments were inadvertently eliminated.

At the November 2014 meeting, the FORA Board tasked the Executive Committee (EC) to review and recommend to the Board how this matter should be resolved.

The EC discussed this item at its December 3, 2014 meeting and recommended the Board approve the Executive Officer's contract correction to return omitted language.

FISCAL IMPACT:

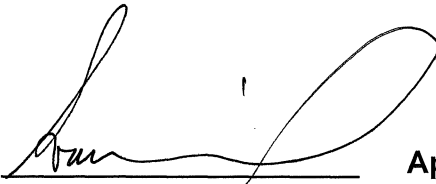
Reviewed by the FORA Controller 

Any fiscal impact associated with this correction/amendment would be evaluated when a compensation adjustment is considered.

COORDINATION:

The Executive Committee, FORA Counsel

Prepared by


Ivana Bednarik

Approved by


Jon Giffen, Authority Counsel

FORT ORD REUSE AUTHORITY BOARD REPORT

BUSINESS ITEMS

Subject: Approve Corrective Amendment to Executive Officer Contract

Meeting Date: December 12, 2014

Agenda Number: 8g

ACTION

RECOMMENDATION:

Correct the Executive Officer's Contract to accurately reflect the terms of his employment as depicted in **Attachments A - C**.

BACKGROUND/DISCUSSION:

The Executive Officer's contract was consolidated last December to clarify the terms of his existing employment contract and to incorporate previous amendments and FORA policies. In order to make the terms of the consolidated contract consistent, clear, and lawful, some terms had to be slightly modified. For example, the consolidated contract includes a provision consistent with current state law that alters the Executive Officer's compensation downward by reducing FORA's health benefit share. During this process, provisions in the prior contract allowing for merit adjustments were inadvertently eliminated (compare **Attachments A** and **B**, pages 1, 2 – Sec. 3 and page 3 – Sec. 4).

At its October 2014 meeting, the Board voted in favor of an 8 percent increase in the Executive Officer's compensation, as recommended by the FORA Executive Committee (EC). That recommendation assumed the terms of the contract between FORA and the Executive Officer provided for merit adjustments, as was the case prior to the consolidated contract.

At the November 2014 meeting, Authority Counsel asked the Board to approve a corrective amendment to the current contract to include language allowing a merit increase. The Board did not act on the item and tasked the EC to review and recommend to the Board how this matter should be resolved.

The EC discussed this item at its December 3, 2014 meeting and recommends the Board:

- 1) Approve the Executive Officer's contract correction to return omitted language in conformance with State Law (**Attachment C**, page 2 – Sec. 3 and page 3 – Sec. 4); and
- 2) Consider a second vote on the salary adjustment at a subsequent Board meeting.

To clarify prior confusion regarding attachments, the EC requested staff to attach:

- For #1) The expired and current Executive Officer's contracts.
- For #2) Information requested by Board members such Executive Officer's past increases, fiscal impact of merit adjustment, and non-PERS options for the adjustment. This will be included with consideration of the second vote regarding the adjustment.

FISCAL IMPACT:

Reviewed by the FORA Controller 

This item has no direct fiscal impact. Any fiscal impact associated with this correction/amendment would be evaluated when a compensation adjustment is considered.

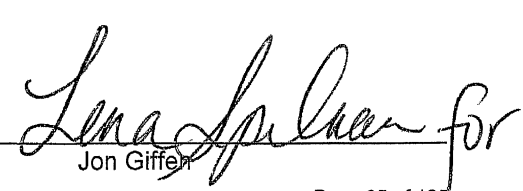
COORDINATION:

The Executive Committee, FORA Counsel

Prepared by


Ivana Bednarik

Approved by


Jon Giffen

Executive Officer Employment Agreement

THIS AGREEMENT is made and entered into this 21st day of September, 2000, by and between the FORT ORD REUSE AUTHORITY, (hereinafter "FORA"), a public entity governed by a Board of Directors, and MICHAEL A. HOULEMARD, JR. (hereinafter "HOULEMARD"), an individual.

1. RECITALS. This Agreement is made and entered into with respect to the following facts:

a) HOULEMARD has successfully performed his duties as the Executive Officer of FORA since March 1997 and has demonstrated his ability to meet or exceed the expectations of the FORA Board of Directors; and

b) HOULEMARD has proven to have the experience, knowledge, and ability to continue to provide the executive and administrative leadership to ensure that FORA achieves its statutory goals and other expectations of the FORA Board of Directors; and

c) The parties hereto have determined that the terms and conditions of HOULEMARD's employment should be contained within an agreement between FORA and HOULEMARD; and

d) HOULEMARD agrees to continue in the position of Executive Officer of FORA and to perform the duties of Executive Officer of FORA as the same is described in the FORA Bylaws, and as may be determined by the FORA Board of Directors from time to time, subject to the terms and conditions of this written Agreement; and

e) The public interest, convenience, and necessity require the execution of this Agreement.

2. TERM. The term of this Agreement shall be for three (3) years, commencing on July 1, 2000 and shall terminate, unless otherwise extended by mutual agreement, no later than June 30, 2003.

3. COMPENSATION.

a) Salary. As compensation for services under this Agreement, HOULEMARD shall be entitled to an annual salary of One Hundred Thirty-Seven Thousand Nine Hundred Dollars (\$137,900) payable in payroll installments in accordance with the FORA's general compensation program prorated for any partial payroll period. HOULEMARD shall not be entitled to have his salary reviewed

during the term of this Agreement, except as provided for under Section 4 herein.

b) Incentive Bonus. The FORA Board may award an incentive bonus to HOULEMARD for exemplary performance beyond that required under this Employment Agreement. The bonus shall not be considered to be salary to which HOULEMARD is entitled. On the contrary, the award of a bonus should not be expected. The Board has the sole and unbounded discretion to award or withhold a bonus, and to establish the amount of any such bonus. In considering whether to award a bonus, the Board should determine both whether HOULEMARD's performance exceeded the Board's expectations for the preceding year, and whether it did so in a manner that promoted FORA's long-range objectives. To be eligible for a bonus, HOULEMARD must be a FORA employee on the last day of the year for which the bonus is considered.

c) Employee Taxes. HOULEMARD is subject to all applicable Federal and State income tax withholdings from his income.

d) Retirement Contribution. FORA shall contribute to the Public Employees' Retirement System (General Employees) for HOULEMARD as is paid for all FORA employees.

e) Paid Leave. HOULEMARD shall be entitled to thirty-three (33) days per year as paid leave. Annual leave shall be allocated as follows: ninety-six (96) hours per year sick leave and one hundred sixty-eight (168) hours annual leave. Earned annual leave shall carry over from year to year. Except as provided in this section, HOULEMARD shall be entitled to be paid for unused annual leave at the rate of pay established as salary in this Agreement. Upon termination of this Agreement, HOULEMARD's entitlement to payment for unused sick leave shall be limited to one hundred (100) hours.

f) Car Allowance. FORA agrees to pay HOULEMARD Two Hundred Fifty Dollars (\$250.00) per month as an allowance for use of his personal vehicle.

g) Additional Benefits. FORA agrees to pay HOULEMARD Six Hundred Fifty Dollars (\$650.00) per month for retirement program, deferred compensation, supplemental life insurance, wellness programs, or other benefits at the election of HOULEMARD.

h) Insurance. HOULEMARD shall receive the same or substantially similar life and health insurance benefits as are provided to department heads in the County of Monterey.

i) Professional Dues/Conferences. HOULEMARD shall be entitled to attend the conferences for which FORA budgets. If such conferences are budgeted, FORA shall also pay for HOULEMARD's reasonable expenses incurred in attending such conferences.

j) Holidays. HOULEMARD shall be entitled to the same paid holidays as provided to FORA employees.

k) Reimbursable Expenses. HOULEMARD shall be reimbursed for out-of-pocket expenses according to the adopted policies of FORA. In acknowledgment of the monthly car allowance described in Section 3-f, HOULEMARD shall not be reimbursed for mileage associated with the performance of his duties as Executive Officer.

4. EVALUATION.

a) It is the intention of the FORA Board of Directors to provide an annual performance evaluation. The evaluation shall take place on or before June 1st of each year. In recognition of accomplishment of objectives and performance, a merit increase may be granted to HOULEMARD after the evaluation, along with any cost-of-living increase as may be included at the discretion of the FORA Board of Directors.

b) HOULEMARD shall provide a timely reminder to the Executive Committee of its obligation under this section.

c) The parties agree that failure of FORA to carry out its intention pursuant to this Section 4 shall not be deemed a breach of this Agreement.

5. EXCLUSIVE EMPLOYMENT AND OUTSIDE WORK. HOULEMARD agrees to work exclusively for FORA. HOULEMARD may, without violating the exclusive services term in this Agreement, teach or write for publication without FORA's prior approval. With the prior written approval of the FORA Board of Directors, HOULEMARD may also enter into consulting arrangements with public or private entities if such activities do not interfere with his duties as the Executive Officer.

6. TERMINATION. This Agreement may be terminated prior to the expiration of its three year term as follows:

- a) By mutual agreement; or
- b) By HOULEMARD providing FORA ninety (90) day's advance written notice; or
- c) By FORA through written notice of termination to HOULEMARD. In that event, the termination shall be effective upon delivery of the notice unless the notice provides otherwise. If terminated in this manner, HOULEMARD shall be paid severance pay equal to six (6) month's salary, exclusive of benefits except as provided herein.

At-Will Status. HOULEMARD is an at-will employee and serves at the pleasure of the FORA Board of Directors. HOULEMARD may be dismissed, and this Agreement terminated, at the discretion of the FORA Board of Directors for any reason or for no reason at all, except that FORA shall provide the notice and compensation as noted in Section 6-c above.

7. NOTICES. Notices under this Agreement shall be by United States mail, postage prepaid, addressed as follows, or such other address as the parties may establish and provide written notice thereof:

Chair of the Board of Directors
Fort Ord Reuse Authority
100 12th Street
Marina, CA 93933

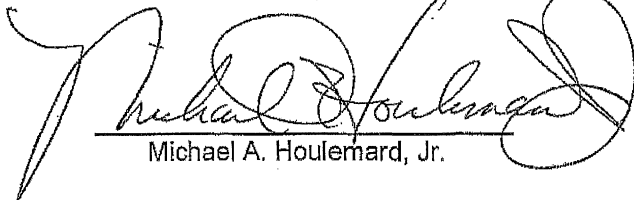
Michael A. Houlemard, Jr.
2223 Albert Lane
Capitola, CA 95010

8. PARTIAL INVALIDITY. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the parties agree that the remaining provisions shall nonetheless continue in full force and effect.

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



Edith Johnson, Chair
Fort Ord Reuse Authority



Michael A. Houlemard, Jr.

APPROVED AS TO FORM:



Gerald Bowden, Authority Counsel

**EXECUTIVE OFFICER
EMPLOYMENT AGREEMENT**

This Executive Officer Employment Agreement (this "Agreement") is made and entered into effective July 1, 2014 (the "Commencement Date") by and between the Fort Ord Reuse Authority, a public corporation formed under the Fort Ord Reuse Authority Act, California Government Code sections 67650 *et seq.* (hereinafter "FORA") and Michael A. Houlemard, Jr., an individual (hereinafter "Houlemard").

1. RECITALS. This Agreement is made and entered into with respect to the following circumstances:

(a) Houlemard has served as the Executive Officer of FORA since March 1997. On or about September 21, 2000 FORA and Houlemard (each a "Party" and collectively, the "Parties") entered into an Executive Officer Employment Agreement for a term ending June 30, 2003 (the "Employment Agreement"). On or about July 11, 2003 the Parties entered into Extension #1 to the Employment Agreement by which the term of Houlemard's employment was extended through June 30, 2008. On or about June 13, 2008 the Parties entered into Extension #2 to the Employment Agreement by which the term of Houlemard's employment was extended through the then anticipated end of FORA's statutory authority (June 30, 2014). Subsequent amendment to the Fort Ord Reuse Authority Act has extended the term of FORA's statutory authority through June 30, 2020, but the term of the Employment Agreement as extended will expire on June 30, 2014.

(b) Houlemard has performed his duties as the Executive Officer of FORA to the satisfaction of FORA's governing Board of Directors (the "Board").

(c) The Parties desire that the term of Houlemard's employment as Executive Officer of FORA should be further extended on the terms and conditions set forth in this Agreement.

2. TERM. The term of this Agreement shall commence on the Commencement Date and shall end, unless sooner terminated or otherwise extended, no later June 30, 2020.

3. COMPENSATION.

(a) Salary, COLAs and Longevity Pay. During the term of this Agreement, as compensation for his services as FORA's Executive Officer, Houlemard shall be paid an annual salary of Two Hundred Seven Thousand Three Hundred Seventy-Four Dollars (\$207,374.00) in installments in accordance with the FORA's general compensation program, prorated for any partial payroll period. If and when a Cost of Living Adjustment ("COLA") is awarded to FORA's other employees, Houlemard's salary shall be adjusted in like proportion. Houlemard has been receiving and during the term of this Agreement Houlemard shall continue to receive

longevity pay on the same basis and subject to the same terms and conditions as apply to FORA's other employees. Except as a consequence of a COLA or longevity pay, Houlemard's salary shall not be adjusted during the term of this Agreement, but an incentive bonus may be awarded to Houlemard from time to time as provided in Section 3(b) below.

(b) Incentive Bonus. The Board may award a bonus to Houlemard in recognition of exemplary performance beyond that required under this Agreement as an incentive to continue such performance. The bonus shall not be considered to be salary to which Houlemard is entitled or as any form of compensation for past performance. Rather, any bonus shall be an inducement for future performance. As such, in order to be eligible to receive any bonus Houlemard must be employed by FORA at the time any bonus is awarded. The Board has the sole and unbounded discretion to award or withhold a bonus, and to establish the amount of any such bonus. The Board may award any bonus in a lump sum or in installments. The award of a bonus should not be expected.

(c) Employee Taxes. Houlemard is subject to all applicable Federal and State income tax withholdings from his income.

(d) Retirement Contribution. Houlemard shall be entitled to participate in the retirement program made available by FORA through the Public Employees' Retirement System to FORA's other employees (currently 2% at 55), as the retirement program may from time to time be amended, and in the same manner, to the same extent, and subject to the same terms and conditions, including but not limited to contribution rates, as apply to FORA's other employees.

(e) Paid Leave. During the term of this Agreement, Houlemard shall be entitled to forty-nine (49) days per year as paid leave, which shall be allocated as follows:

Vacation	26 days
Sick Leave	18 days
Management Leave	5 days

Vacation, Sick Leave, and Management Leave may be collectively referred to as "Annual Leave." Annual Leave shall accrue, be subject to accrual limits, be converted to service credit on retirement, be cashed out, or may be used, each only in conformity with those policies regarding Annual Leave established by FORA as they may be amended from time to time. Houlemard shall not be required to keep time sheets, but shall inform FORA's Executive Committee in advance of his vacation plans and shall report to the Executive Committee his use of all categories of Annual Leave contemporaneously with taking leave.

(f) Car Allowance. During the term of this Agreement, FORA shall pay Houlemard Two Hundred Fifty Dollars (\$250.00) per month as an allowance for use of his personal vehicle. Houlemard shall at all times during the term of this Agreement maintain liability insurance covering the business use of his personal vehicle meeting the reasonable satisfaction of FORA.

(g) Deferred Compensation. During the term of this Agreement, FORA shall contribute Eight Hundred Thirty-Three Dollars (\$833.00) per month into a deferred compensation plan mutually selected by the Parties.

(h) Insurance. Houlemard and his dependents shall be entitled to participate in any life or health insurance programs made available by FORA to FORA's other employees and their dependents, as such program(s) may from time to time be amended, and in the same manner, to the same extent, and subject to the same terms and conditions, including but not limited to contribution rates, as apply to FORA's other employees and their dependents.

(i) Professional Dues/Conferences. Houlemard shall be entitled to attend the conferences for which FORA budgets. If such conferences are budgeted, FORA shall also pay for Houlemard's reasonable expenses incurred in attending such conferences in conformity with those policies regarding reimbursements established by FORA as they may be amended from time to time.

(j) Holidays. Houlemard shall be entitled to the same paid holidays as are provided to FORA's other employees.

(k) Reimbursable Expenses. Houlemard shall be reimbursed for out-of-pocket expenses according to those policies regarding reimbursements established by FORA as they may be amended from time to time. In acknowledgment of the monthly car allowance described in Section 3(f), Houlemard shall not be reimbursed for mileage associated with the performance of his duties as Executive Officer.

4. EVALUATION. The Board intends to conduct a performance evaluation on or before June 1 of each year, at which time the Board may, but shall not be obligated to, consider awarding an incentive bonus as set forth in Section 3(b) above. Houlemard shall provide a timely reminder to FORA's Executive Committee to schedule the annual performance review. The Parties agree that any failure to conduct any performance review shall not be deemed a breach of this Agreement.

5. EXCLUSIVE EMPLOYMENT AND OUTSIDE WORK. Houlemard agrees to work exclusively for FORA as Executive Officer, with such duties and responsibilities as shall be set forth by the Board, and shall so serve faithfully and to the best of his ability under the direction and supervision of the Board. Houlemard may, without violating the exclusive services term in this Agreement, teach or write for publication without FORA's prior approval. With the prior written approval of the Board, Houlemard may also enter into consulting arrangements with public or private entities if such activities do not interfere with his duties as Executive Officer.

6. **TERMINATION.** Houlemard is an at-will employee and serves at the pleasure of the Board. Houlemard may be dismissed, and this Agreement terminated, at the discretion of the Board for any reason or for no reason at all, except that in the event of termination pursuant to Sections 6(c) or (d) below, FORA shall provide the notice and/or compensation as provided therein. This Agreement may be terminated prior to its scheduled expiration date as follows:

(a) By mutual agreement;

(b) By Houlemard providing FORA ninety (90) days advance written notice;

(c) By FORA through written notice to Houlemard of intent to terminate his employment for "Cause." For purposes of this Agreement, with respect to Houlemard the term "Cause" shall mean (i) breach of this Agreement; (ii) commission of an act of dishonesty, fraud, embezzlement or theft in connection with his duties or in the course of his employment; (iii) commission of damage to property or reputation of FORA; (iv) failure to perform satisfactorily the material duties of his position after receipt of a written or verbal warning from the Board; (v) conviction of a felony or a crime of moral turpitude; (vi) failure to adhere to or execute FORA's policies; or (vii) such other behavior detrimental to the interests of FORA as the Board determines. Cause shall be determined in the sole discretion of the Board. If the Board believes that FORA has Cause to terminate Houlemard's employment, FORA shall give appropriate written notice to Houlemard as provided in Government Code section 54957 of his right to have the complaints or charges heard in an open session rather than a closed session of a meeting of the Board. After written notice to Houlemard, if he does not request to have the complaints or charges heard in open session, he shall be provided the opportunity to meet with the Board in closed session regarding the specific complaints or charges stated in writing. Should the Board decide after meeting to terminate Houlemard, his employment shall be terminated immediately without rights to any appeal, severance pay or benefits other than compensation earned (including all benefits and reimbursements accrued and then due) up to the effective date of termination.

(d) By FORA through written notice to Houlemard of termination without Cause. In that event, the termination shall be effective upon delivery of the notice unless the notice provides otherwise. If terminated without Cause, Houlemard shall be entitled to severance pay equal to six (6) months salary, exclusive of benefits. At the election of the Board, severance pay may be paid in substantially equal installments over any period up to six (6) months.

7. **NOTICES.** Notices under this Agreement shall be by United States mail, postage prepaid, addressed as follows, or such other address as the Parties may establish and provide written notice thereof:

Chair of the Board of Directors
Fort Ord Reuse Authority
100 12th Street
Marina, CA 93933

Michael A. Houlemard, Jr.
2223 Albert Lane
Capitola, CA 95010

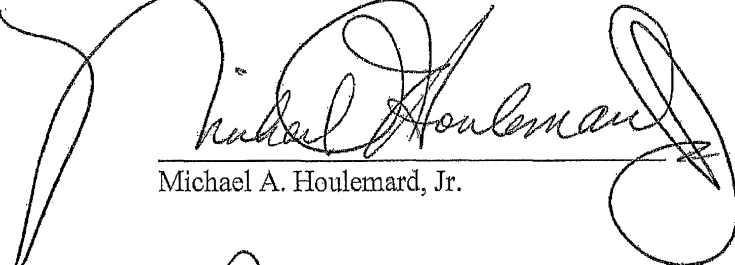
8. **TERMINATION OF FORMER EMPLOYMENT AGREEMENT.** Effective upon the Commencement Date, the Employment Agreement shall automatically, and without any need for further action by the Parties, be terminated and of no further force and effect. During the term of this Agreement, the employment relationship between the Parties shall be controlled by the terms and conditions of this Agreement and not by any terms or conditions of the former Employment Agreement. The foregoing provisions notwithstanding, any Annual Leave which Houlemard has accrued but which remains unused and has not been cashed out as of the day before the Commencement Date shall be carried over and added to the Annual Leave which accrues pursuant to this Agreement, subject to any applicable accrual limits as may be specified in those policies regarding Annual Leave established by FORA as they may be amended from time to time.

9. **COMPLETE AGREEMENT.** This Agreement is a full and complete statement of the Parties' understanding with respect to the matters set forth in this Agreement. This Agreement supersedes and replaces any and all prior or contemporaneous agreements, discussions, representations, or understandings between the Parties relating to the subject matter of this Agreement, whether oral or written.

10. **INTERPRETATION.** This Agreement shall be construed as a whole and in accordance with its fair meaning. It is understood and agreed by the Parties that this Agreement has been arrived at through negotiation and deliberation by the Parties, with each Party having had the opportunity to review and revise this Agreement and to discuss the terms and effect of this Agreement with counsel of its choice. Accordingly, in the event of any dispute regarding its interpretation, this Agreement shall not be construed against any Party as the drafter, and the Parties expressly waive any right to assert such a rule of interpretation.

11. **PARTIAL INVALIDITY.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the Parties agree that the remaining provisions shall nonetheless continue in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date and year first written above.



Michael A. Houlemard, Jr.



Chair
Fort Ord Reuse Authority

**EXECUTIVE OFFICER
EMPLOYMENT AGREEMENT – REVISED**

This Executive Officer Employment Agreement (this “Agreement”) is made and entered into effective July 1, 2014 (the “Commencement Date”) by and between the Fort Ord Reuse Authority, a public corporation formed under the Fort Ord Reuse Authority Act, California Government Code sections 67650 *et seq.* (hereinafter “FORA”) and Michael A. Houlemard, Jr., an individual (hereinafter “Houlemard”).

1. RECITALS. This Agreement is made and entered into with respect to the following circumstances:

(a) Houlemard has served as the Executive Officer of FORA since March 1997. On or about September 21, 2000 FORA and Houlemard (each a “Party” and collectively, the “Parties”) entered into an Executive Officer Employment Agreement for a term ending June 30, 2003 (the “Employment Agreement”). On or about July 11, 2003 the Parties entered into Extension #1 to the Employment Agreement by which the term of Houlemard’s employment was extended through June 30, 2008. On or about June 13, 2008 the Parties entered into Extension #2 to the Employment Agreement by which the term of Houlemard’s employment was extended through the then anticipated end of FORA’s statutory authority (June 30, 2014). Subsequent amendment to the Fort Ord Reuse Authority Act has extended the term of FORA’s statutory authority through June 30, 2020, but the term of the Employment Agreement as extended will expire on June 30, 2014.

(b) Houlemard has performed his duties as the Executive Officer of FORA to the satisfaction of FORA’s governing Board of Directors (the “Board”).

(c) The Parties desire that the term of Houlemard’s employment as Executive Officer of FORA should be further extended on the terms and conditions set forth in this Agreement.

2. TERM. The term of this Agreement shall commence on the Commencement Date and shall end, unless sooner terminated or otherwise extended, no later June 30, 2020.

3. COMPENSATION.

(a) Salary, COLAs and Longevity Pay. During the term of this Agreement, as compensation for his services as FORA’s Executive Officer, Houlemard shall be paid an annual salary of Two Hundred Seven Thousand Three Hundred Seventy-Four Dollars (\$207,374.00) in installments in accordance with the FORA’s general compensation program, prorated for any partial payroll period. If and when a Cost of Living Adjustment (“COLA”) is awarded to FORA’s other employees, Houlemard’s salary shall be adjusted in like proportion. Houlemard has been receiving and during the term of this Agreement Houlemard shall continue to receive

longevity pay on the same basis and subject to the same terms and conditions as apply to FORA's other employees. Except as a consequence of a COLA or longevity pay, **Houlemard shall not be entitled to have his salary reviewed during the term of this Agreement, except as provided in Section 4 below.** ←

(b) Incentive Bonus. The Board may award a bonus to Houlemard in recognition of exemplary performance beyond that required under this Agreement as an incentive to continue such performance. The bonus shall not be considered to be salary to which Houlemard is entitled or as any form of compensation for past performance. Rather, any bonus shall be an inducement for future performance. As such, in order to be eligible to receive any bonus Houlemard must be employed by FORA at the time any bonus is awarded. The Board has the sole and unbounded discretion to award or withhold a bonus, and to establish the amount of any such bonus. The Board may award any bonus in a lump sum or in installments. The award of a bonus should not be expected.

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4. **EVALUATION.** The Board intends to conduct a performance evaluation on or before June 1 of each year, at which time the Board may, but shall not be obligated to, consider awarding an incentive bonus as set forth in Section 3(b) above or a merit increase as an incentive for future performance. Houlemard shall provide a timely reminder to FORA's Executive Committee to schedule the annual performance review. The Parties agree that any failure to conduct any performance review shall not be deemed a breach of this Agreement.

5. EXCLUSIVE EMPLOYMENT AND OUTSIDE WORK. Houlemard agrees to work exclusively for FORA as Executive Officer, with such duties and responsibilities as shall be set forth by the Board, and shall so serve faithfully and to the best of his ability under the direction and supervision of the Board. Houlemard may, without violating the exclusive services term in this Agreement, teach or write for publication without FORA's prior approval. With the prior written approval of the Board, Houlemard may also enter into consulting arrangements with public or private entities if such activities do not interfere with his duties as Executive Officer.

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(b) By Houlemard providing FORA ninety (90) days advance written notice;

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IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date and year first written above.

Michael A. Houlemard, Jr.

Chair
Fort Ord Reuse Authority