

## EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into this the XX day of Month Year, and is effective as of [insert agreement start date], between [insert President's name] (hereinafter called the "Employee") and [insert name of Affiliate] (hereinafter called "Employer").

### RECITALS

- A. Employer is desirous to offer the named Employee, employment in the capacity as President.
- B. Above named Employee is desirous of accepting employment in said Position.

### AGREEMENT

NOW, THEREFORE, in consideration of these premises, mutual covenants, and agreement contained herein, the parties hereto mutually agree as follows:

**1. Employment.** Employer hereby agrees to engage and employ the above named Party in the capacity of President, and said Employee, hereby accepts such employment upon the terms and conditions hereinafter set forth, effective as of [insert agreement start date], and continuing thereafter for three (3) years, through [insert agreement ending date, usually 3 years], or upon termination of this Agreement.

**2. Duties of Employee.** The President reports to the Board of Directors or to the Executive Committee in accordance with the Association's Bylaws. The President is the chief employed officer of the Association with full authority for the management of its affairs subject only to the duties specified by the Bylaws or other governing documents including the Job Description dated [insert date of approved Job Description] or to the direction of the Board, the Executive Committee, or the Chairman.

The President has sole and exclusive authority for the engagement and discharge of all other employees of the Association. The performance of the President will be reviewed annually by the Association's Executive Committee prior to the anniversary date of this Agreement based upon mutually agreed upon performance criteria and goals in writing provided to the President at the beginning of the period under review. Unforeseen or unusual economic changes that could adversely affect the performance criteria will be taken into consideration during the review. The President will be employed at the headquarters office of the Association in the [insert State, Region, etc.].

**3. Compensation and Expenses.** As compensation during the term of this Agreement, Employee shall receive a base salary of \$ XXXXXX as of the effective date of this Agreement, through [insert ending date for salary named in the sentence, usually one year]. Thereafter, the salary shall be adjusted annually by a four per-cent (4%) margin or by the Consumer Price Index – All Urban Consumers (1982-1984 = 100), prepared and published by the United States Department of Labor, Bureau of Labor Services (the "CPI"), whichever is higher. The percentage shall be multiplied by the amount of base salary and added to that amount on [insert date of increase], and each successive year to determine the salary total during the term of this Agreement.

In addition to the base salary, Employer shall pay to Employee a quarterly bonus equal to X [insert number written out in words, for example, two, three, five, ten, etc.] (restate number in numeric form) percent of Employer's net operating income before taxes. The bonus shall be paid within fifteen (15) days after the end of each quarter for the preceding quarter.

During the term of the Agreement, Employee shall be reimbursed for reasonable business-related expenses, and any other items that comply with current policies and meet with the Executive Committee or Board of Directors' approval.

The President shall also receive a \$00.00 per month automobile allowance with the title to be in the name of NACM Intermountain and for security purposes the automobile will be housed at the President's residence. The agreement shall be reviewed and adjusted as necessary at renewal.

Employee shall be entitled to receive any benefits offered by Employer to other employees, subject to qualifying requirements and the policies of Employer in effect from time to time.

#### **4. The Association may cancel this Agreement:**

(A) immediately in the event of the death of the President;

(B) immediately in the event of the unwillingness of the President to perform the duties as referenced in the Bylaws and the Job Description dated [insert date of approved Job Description]; or

(C) immediately in the event of documented acts of dishonesty, fraud, or gross negligence by the President in connection with performance of the President's duties to the Association, with those acts disclosed to the President, with the President accorded an opportunity to respond in writing or via teleconference - at the President's option - to the Board of Directors of the Association.

In the event of an immediate cancellation of this Agreement by the Association, as described in (A), (B), or (C) above, the President will receive no further compensation beyond the cancellation date other than salary earned to the date of cancellation and unused vacation leave, and other amounts and benefits as required by law. The Association will have sole authority for any communications within the Association or to the public regarding the cancellation.

(D) with or without cause on thirty (30) days written notice. In the event of such cancellation, as severance compensation, President shall continue to be paid his base salary as of the date of cancellation, to the end of the contract period or for a period of twelve (12) months whichever is greater and shall continue to receive Association health benefits (or the cash equivalent), for a period of twelve (12) months commencing on the cancellation date. The Association may elect to pay the President an additional one (1) month's salary in lieu of the notice period. Executive shall also be compensated for unused vacation leave, and shall receive other amounts and benefits as required by law.

#### **5. Cancellation by President.**

The President may cancel this agreement:

On thirty (30) days written notice to the NACM Chairman of the Board. At its option, the Association may direct the Executive to vacate the premises of the Association at any time following receipt of notice of cancellation, as long as the Association continues to pay President his compensation, including health and medical benefits for the remainder of the notice period.

**6. Trade Secrets and Data.** Employee shall not directly or indirectly, divulge, disclose, or communicate in any manner whatsoever, to any person, firm, corporation or other entity other than NACM Affiliates or the National Office information concerning any confidential matters affecting or relating to the business of Employer, including information or data regarding the Members and Customers of Employer that would deter or undermine the success of Employer. All terms of this Section of the Agreement shall remain in force for a period of one (1) year after the date of receiving any final compensation from Employer.

**7. Successors.** This Agreement is binding upon the Association and the Executive, their heirs, executors, administrators, successors, and assigns. The President will not assign or designate any part of the President's rights or responsibilities under this Agreement unless the Executive Committee of the Association agrees in writing to the assignment or designation.

In the event of dissolution of the Association, this Agreement will continue in force through the then-current period of employment. In the event of any merger, consolidation, or reorganization involving the Association, this Agreement becomes an obligation of any legal successor or successors to the Association.

**8. Waiver.** A waiver of any breach by either party shall not be deemed a waiver for any term, condition or provision with respect of future breaches or violations.

**9. Severability.** If any section, sentence, clause or phrase of this Agreement shall be held to be illegal or unenforceable, such determination shall not affect the remaining portions hereof.

**10. Integration.** This Agreement constitutes the entire understanding and agreement between the parties, written or oral, rescinding any prior agreement and shall not be modified, altered, changed or amended in any respect unless the same is in writing signed by both parties.

**11. Choice of Law.** This Agreement shall be governed and interpreted under the laws of the State of [\[insert your state\]](#).

**12. Arbitration.** The parties agree, pursuant to [\[designate your state's Arbitration Act\]](#), et seq., to the binding arbitration of any controversy of claim arising out of or relating to this Agreement, or breach thereof. In the event of arbitration, each party shall designate a person to act as an arbitrator and a third neutral arbitrator shall be selected by the first two arbitrators after their appointment, the three arbitrators shall promptly hold an arbitration hearing in [\[insert your city\]](#) and shall make an award within thirty (30) days after the date such hearing is completed, unless the parties extend in writing the time in which the award may be made. At the hearing, the arbitrators shall allow each party to present his or her case, evidence and witnesses, if any, in the presence of the other party. The arbitration award may include a provision for the payment by a party of all costs and expenses of the arbitration, including without limitation, the payment of reasonable attorney's fees and the fees of the arbitrators, as the arbitrators deem just. Where not inconsistent with the terms or laws of the State of [\[insert your state\]](#), the rules of the American Arbitration Association

shall apply.

**13. Notices.** Any notices required or permitted to be given under this Agreement shall be sufficient if in writing and if personally delivered or sent by certified or registered mail to Employee's residence as shown on Employer's records, in the case of Employee, or to the corporate office to the attention of the Chairman or The Board with a copy to the attention of the Corporate Secretary, if to Employer.

**14. Paragraph Headings.** The paragraph headings used in the Agreement are for convenience of reference only and shall not be considered in construing this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as set forth above.

**EMPLOYER:**  
**[name of Affiliate]**

*Chairman's Signature*

NAME  
Chairman of the Board

**EMPLOYEE:**

*President's Signature*

Employee Name  
President