

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (“Agreement”) is entered into as of _____, 200_, by and between _____ “EXECUTIVE”) and _____ (“ASSOCIATION”) a _____ not-for-profit corporation.

IT IS AGREED:

1. Employment Term – ASSOCIATION hereby hires and retains EXECUTIVE as CEO/Executive Vice President of ASSOCIATION for an initial ____ year term commencing _____, and to and including _____ (“Initial Term”). This Agreement shall automatically renew for additional one-year terms (each such term to be referred to herein as an “Additional Term”) upon conclusion of the Initial Term and shall automatically renew thereafter for subsequent Additional Terms until otherwise terminated or not renewed by either ASSOCIATION or EXECUTIVE, as herein provided.

2. Duties and Responsibilities – EXECUTIVE shall perform the duties and responsibilities of Executive Vice President in accordance with ASSOCIATION’s Bylaws, rules and regulations, and shall provide executive management services for ASSOCIATION. EXECUTIVE shall perform such other duties and services as may be entrusted to EXECUTIVE by ASSOCIATION in accordance with its Bylaws and consistent with the terms of this Agreement. During the term of this Agreement, EXECUTIVE shall be the chief administrative officer of ASSOCIATION, and EXECUTIVE shall report and be responsible to the Executive Committee of ASSOCIATION through the President.

In addition, EXECUTIVE shall:

2.1 Have full and exclusive authority to hire, compensate and terminate ASSOCIATION staff within the framework of the approved budget.

2.2 Be provided by ASSOCIATION with a private office, secretarial assistance, a parking space and such other facilities and equipment, consistent with EXECUTIVE’s position and adequate for the performance of the EXECUTIVE’s duties under this Agreement.

3. Compensation –

3.1 Amount – EXECUTIVE shall be paid an annual salary of _____.

3.2 Payments – Such annual compensation payments shall be each made in 24 equal installments on the 15th and last day of each month or as otherwise provided for ASSOCIATION employees. This compensation may be increased after _____ in accordance with the action of the Officers.

3.3 Bonus – Commencing in _____ and annually thereafter, EXECUTIVE shall be entitled to a bonus of up to ten percent (10%) of the amount of annual salary, based on achievement of specific quantifiable performance objectives as established by the Officers and clearly communicated to EXECUTIVE in writing on a yearly basis. The bonus shall be paid at the end of the calendar year or as otherwise directed by the Officers.

4. Other Activities – EXECUTIVE during the term of this Agreement, shall not, except as otherwise agreed to by the then President of ASSOCIATION, provide services for, work with or accept or receive any payment, compensation or consideration from any other organization, firm, association, society, person, corporation, or otherwise, for services to be performed or performed by EXECUTIVE. However, EXECUTIVE may serve, for compensation, as a lecturer and engage in other activities of a short duration which do not interfere with EXECUTIVE's ability to perform her responsibilities under this Agreement. In all such cases, EXECUTIVE shall inform the Officers of such activities.

5. Insurance – ASSOCIATION shall provide to EXECUTIVE such life, hospital, health and medical, disability, dental, accidental death and dismemberment and other group insurance coverages as are provided to other executive level employees as part of the ASSOCIATION'S benefit package. These include those benefits as are described on Exhibit A to this Agreement.

6. Retirement – During the term of this Agreement, ASSOCIATION shall make such contributions as are required on behalf of EXECUTIVE under ASSOCIATION's Retirement Plan, which is treated as a qualified retirement plan by the Internal Revenue Service, and the rights of EXECUTIVE in the Plan shall be governed by its terms and conditions.

7. Expense Reimbursement

7.1 In General – ASSOCIATION shall pay or reimburse EXECUTIVE for all reasonable expenses incurred by EXECUTIVE in the performance of her duties under this Agreement, and in accordance with the policies of and budget approved by ASSOCIATION, which expenses shall be subject to the approval of the Secretary/Treasurer or other designee of the Secretary/Treasurer.

7.2 Professional Dues and Expenses – ASSOCIATION shall pay or reimburse EXECUTIVE for appropriate professional association dues and fees as may annually be approved by the Officers. In addition, EXECUTIVE shall be reimbursed for all reasonable expenses incurred by EXECUTIVE in attending or otherwise participating in the programs of such organizations.

7.3 Automobile Reimbursement – ASSOCIATION shall provide EXECUTIVE reimbursement of _____ dollars per month for automobile expense.

8. Vacation, Sick Leave and Personal Days – EXECUTIVE shall be entitled to ____ business days, exclusive of paid holidays, for vacation annually. Sick leave and personal days shall be taken in accordance with such policies as may be approved by the Executive Committee of ASSOCIATION and as set forth on Exhibit A to this Agreement. EXECUTIVE shall be permitted to carry over _____ days of unused vacation from one year to the next.

9. Evaluation – In _____, and annually thereafter, ASSOCIATION shall evaluate and assess the performance of EXECUTIVE. Such evaluation shall relate to the duties and responsibilities of EXECUTIVE under this Agreement, and her progress toward established goals as communicated to EXECUTIVE in writing on an annual basis for the upcoming year, and the working relationship between EXECUTIVE, her staff and the membership. The evaluation shall be done by the Officers, who may first meet without EXECUTIVE being present and thereafter who shall meet with EXECUTIVE to discuss the evaluation. The Officers may solicit information from others including members of the Board of Directors, past officers and others to assist in their evaluation. In the event that the performance of EXECUTIVE is deemed unsatisfactory in any respect, the Officers shall describe in writing, in reasonable detail, specific instances of unsatisfactory performance. The evaluation shall include recommendations as to areas of improvement in all instances where ASSOCIATION deems performance to be unsatisfactory. A copy of the written evaluation shall be delivered to EXECUTIVE. If EXECUTIVE disagrees with such evaluation, she may respond in writing to be delivered to the then President of ASSOCIATION. All such writings shall be made a part of EXECUTIVE's confidential personnel file. Upon the conclusion of the evaluation, the Officers may take action to increase in the compensation, bonus, and benefits for EXECUTIVE for the subsequent year of this Agreement.

10. Nondisclosure of Confidential Information – EXECUTIVE shall not, during the term of this Agreement, or at any time thereafter, impart to anyone any confidential information which EXECUTIVE may acquire in the performance of her duties under this Agreement, except as permitted by ASSOCIATION or under compulsion of law.

11. Indemnification – ASSOCIATION shall indemnify, defend and hold and save EXECUTIVE, her heirs, administrators or executors, and each of them, (EXECUTIVE's Designees) harmless from any and all actions and causes of action, claims, demands, liabilities, losses, damages or expenses, of whatsoever kind and nature, including judgments, interest and attorney's fees and all other reasonable costs, expenses and charges which EXECUTIVE or EXECUTIVE's Designees shall or may at any time or from time to time, subsequent to the date of the employment of EXECUTIVE by ASSOCIATION, sustain or incur, or become subject to by reason of any claim or claims against EXECUTIVE or EXECUTIVE's Designees for any reason resulting from EXECUTIVE or EXECUTIVE's Designees carrying out the terms and conditions of this Agreement, except for gross negligence, willful misconduct or criminal acts or omissions on the part of EXECUTIVE, and provided further that EXECUTIVE or EXECUTIVE's Designees promptly notifies ASSOCIATION of adverse claims or threatened or actual lawsuits. EXECUTIVE or EXECUTIVE's Designees, as appropriate, shall cooperate in good faith with ASSOCIATION, its attorneys and agents in such case to the extent possible. ASSOCIATION

reserves the right to select legal counsel and to settle or otherwise dispose of any such claims as it may decide.

12. Effects of Agreement – This Agreement shall be binding upon the parties and their respective heirs, executors, administrators, successors and assigns. EXECUTIVE shall not assign any part of her rights under this Agreement without the written consent of the Officers. In the event of a merger, sale, transfer, consolidation, or reorganization involving ASSOCIATION, this Agreement shall continue in force and become an obligation of ASSOCIATION's successor.

13. Amendment and Termination –

13.1 Mutual Agreement - This Agreement may be altered, amended or terminated at any time by the mutual written agreement signed by EXECUTIVE and the Officers.

13.2 Termination – This Agreement shall terminate upon the occurrence of any of the following, with written notice of one party to the other, provided that in the case of termination by ASSOCIATION, there is formal action by the Executive Committee, at a duly called meeting by way of a resolution adopted by a majority of the Committee to give such notice, and provided further, that the Executive Committee may meet prior to the adoption of such resolution without EXECUTIVE being present:

13.2.1 The 30th day after the sending of a written notice of an intention to terminate by ASSOCIATION to EXECUTIVE;

13.2.2 Nonrenewal of this Agreement. Notice must be sent at least twelve (12) months prior to the expiration of the Initial Term or any Additional Term, as applicable.

13.2.3 The bankruptcy or dissolution of ASSOCIATION.

13.2.4 The death of EXECUTIVE.

13.2.5 The absence of EXECUTIVE by reason of physical or mental illness or other incapacity or inability of EXECUTIVE to perform her duties and obligations under this Agreement for more than sixty (60) consecutive calendar days and upon seven (7) days' prior written notification by ASSOCIATION to EXECUTIVE of an intent to terminate because of such absence or inability.

13.2.6 The material breach of this Agreement, or the grossly negligent or willful nonperformance by EXECUTIVE of her obligations under this Agreement or the commission of dishonest, fraudulent or criminal acts on the part of EXECUTIVE.

13.3 Termination by EXECUTIVE – EXECUTIVE may terminate her employment for the reasons set forth below, by giving written notice of such termination to ASSOCIATION at least thirty (30) days in advance of the termination date stated in such notice. Additionally, in the event EXECUTIVE decides not to renew this Agreement, she shall provide written notice to

ASSOCIATION of her intention not to renew at least thirty (30) days prior to the expiration of the Initial Term or any Additional Term, as applicable.

13.3.1 EXECUTIVE may terminate EXECUTIVE's employment for any reason whatsoever. In the event of a termination by EXECUTIVE without Good Reason (as defined below), or in the event EXECUTIVE decides not to renew this Agreement:

a. EXECUTIVE shall continue her work for ASSOCIATION during the thirty (30) day notice period, unless otherwise requested by ASSOCIATION. EXECUTIVE shall assist ASSOCIATION in securing and training her successor, as requested by ASSOCIATION, during such period. In order to make the transition to a new Executive Vice President and the operation of ASSOCIATION continue as smoothly as possible and without interruption, simultaneous with her thirty (30) day notice, EXECUTIVE shall submit a written exit/transition strategy plan. The plan shall include recommendations and timetable for assisting ASSOCIATION in selecting a successor and for facilitating the transition to a new Executive Vice President. EXECUTIVE shall continue to perform the duties and responsibilities of Executive Vice President during the thirty (30) day notice period, and shall cooperate as may be otherwise requested by ASSOCIATION. ASSOCIATION shall pay EXECUTIVE any salary and benefits for the period worked; and

b. EXECUTIVE shall receive no termination compensation except for vested benefits in life insurance, retirement programs and other benefits, if any, as may be provided under this Agreement. In addition, EXECUTIVE shall be paid for earned, but unused vacation days.

13.3.2 Termination by EXECUTIVE of EXECUTIVE's employment for "Good Reason" shall mean a termination based on the occurrence, without EXECUTIVE's express prior written consent, of any of the following events:

- a. Any reduction by ASSOCIATION in EXECUTIVE's salary;
- b. The assignment to EXECUTIVE of any duties inconsistent with her positions, duties, responsibilities and status with ASSOCIATION, or any material change in EXECUTIVE's reporting responsibilities, titles or offices;
- c. A requirement to relocate, except for office relocations that would not increase EXECUTIVE's one-way commute distance by more than fifty (50) miles from the most recent principal residence selected by EXECUTIVE prior to notice of relocation and except for required travel on ASSOCIATION business;
- d. The failure by ASSOCIATION to cure any material breach by ASSOCIATION of any provision of this Agreement within thirty (30) days after receipt of written notice from EXECUTIVE of the breach;

e. The failure by ASSOCIATION to obtain the assumption of this Agreement by any successor or assign of ASSOCIATION; or

f. Any purported termination of EXECUTIVE's employment which is not effected pursuant to Section 13.2.

13.4 Termination Payments and Benefits–

13.4.1. In the event of termination of EXECUTIVE's employment pursuant to Section 13.2.1, or 13.3.2 EXECUTIVE shall be paid as termination compensation:

a. An amount equal to _____ months ("Termination Period") of EXECUTIVE's then current salary. Such amount shall be paid to Executive monthly over a period of _____ months beginning with the first day of the first month immediately following EXECUTIVE's last day of employment

b. Insurance, fringe and other benefits during the Termination Period, plus payment for earned, unused vacation and sick/personal days.

13.4.3 In the event of termination under Section 13.2.5 EXECUTIVE shall not be entitled any termination compensation except for vested benefits as of the effective date of termination.

14. Other Provisions –

14.1 Joint Effect of Agreement – Nothing in this Agreement shall be deemed to create a partnership or agency relationship between ASSOCIATION and EXECUTIVE to make EXECUTIVE jointly liable with ASSOCIATION for any obligation arising out of the activities and services contemplated by this Agreement.

14.2 Section Headings – Section headings and numbers have been inserted for convenience of reference only, and if there shall be any conflict between any such headings or numbers and the text of this Agreement, the text shall control.

14.3 Counterparts – This Agreement may be executed in one or more counterparts, each of which shall be considered an original, and all of which taken together shall be considered one and the same instrument.

14.4 Waiver – Waiver by either party of any term or condition of this Agreement or any breach shall not constitute a waiver of any other term or condition or breach of this Agreement.

14.5 Bond – ASSOCIATION may, at its option and expense, obtain a faithful performance and fidelity bond on EXECUTIVE.

14.6 Execution and Applicable Law – This Agreement shall be governed in accordance with the laws of the State of _____ in every respect. Any action or claim arising out of this Agreement must be brought in a court located in _____ County, _____.

14.7 Notices – Any notice or communication permitted or required by this Agreement shall be in writing and shall become effective upon delivery or personal service or two days after the mailing thereof by certified mail, return receipt requested, postage prepaid addressed:

14.7.1 If to ASSOCIATION, to the then President of ASSOCIATION at the President’s address as it appears on the then records of ASSOCIATION.

14.7.2 If to EXECUTIVE, to:

[Insert home address]

14.8 Arbitration –

14.8.1 All disputes arising out of or concerning the validity, interpretation or application of this Agreement, including without being limited to any claims that the application of this Agreement or the termination of the employment relationship established by this Agreement violates any federal, state, or local law, regulation, or ordinance, shall be resolved timely and exclusively by final and binding arbitration pursuant to the American Arbitration Association (“AAA”) National Rules for the Resolution of Employment Disputes (the “AAA Rules”). Arbitration must be demanded within 21 calendar days of the time when the demanding party knows or should have known of the event or events giving rise to the claim. The arbitration opinion and award shall be final and binding on ASSOCIATION and EXECUTIVE and shall be enforceable by any court sitting within _____ County, _____. ASSOCIATION and EXECUTIVE shall share equally all costs of arbitration excepting their own attorney’s fees unless and to the extent ordered by the arbitrator(s) to pay the attorneys’ fees of the prevailing party.

14.8.2 The Parties recognize that this Section means that certain claims will be reviewed and decided only before an impartial arbitrator or panel of arbitrators instead of before a court of law and/or a jury, but desire the many benefits of the arbitration process over court proceedings, including speed of resolution, lower costs and fees, and more flexible rules of evidence. The arbitrator or arbitrators duly selected pursuant to the AAA’s Rules shall have the same power and authority to order any remedy for violation of a statute, regulation, or ordinance as a court would have; and shall have the same power to order discovery as a federal district court has under the Federal Rule of Civil Procedure.

14.8.3 These Sections 14.8 are intended by ASSOCIATION and EXECUTIVE to be enforceable under the Federal Arbitration Act. Should it be determined by any court that the Act does not apply, then these Sections shall be enforceable under the applicable arbitration statutes of the State of _____.

14.9 Entire Agreement – This Agreement contains all of the terms agreed upon by the parties with respect to the subject matter of this Agreement and supersedes all prior agreements, arrangements and communications between the parties concerning such subject matter, whether oral or written.

14.10 Legal Fees. All reasonable legal fees paid or incurred by EXECUTIVE pursuant to any dispute or question of interpretation relating to this Agreement shall be paid or reimbursed by ASSOCIATION if EXECUTIVE is successful on the merits pursuant to a legal judgment, arbitration or settlement.

14.11 Survival of Terms. Sections 10 and 11 of this Agreement shall survive the expiration or termination of this Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have signed it on the day and date first written above.

ASSOCIATION OF REALTORS®

BY: _____, President