Sample Employment Agreement

*[Do not adopt any part of this sample without consulting with an attorney authorized to practice in the state in which it will be utilized]*

\_\_\_\_\_\_\_\_\_\_\_ Co-op (hereinafter “the Co-op”) located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_, and \_\_\_\_\_\_ \_\_\_\_\_[Name of manager] (hereinafter, “the General Manager”), hereby agree that the General Manager shall be employed by the Co-op as follows in accordance with this agreement (hereinafter the “Agreement”) as follows:

* **Period**.  This agreement will begin on \_\_\_\_\_\_\_\_\_\_\_ [date].
* **Consent.**   The General Manager also understands that this Agreement is not an employment contract, that nothing in this Agreement creates any right to continuous employment with the Co-op or to employment by the Co-op for any specified period of time and that Employee’s employment at all times shall be “at will” and it may be terminated by either the Co-op or Employee at any time and for any reason, subject only to the severance provisions outlined in Section 3.

1. **Termination.**  Employee can be terminated with or without cause at the discretion of the Co-op's Board of Directors.
   1. “Cause” means:
      1. the gross neglect or willful failure or refusal of the General Manager to perform General Manager’s duties hereunder or the failure to meet the expectations for business performance as set by the board (other than as a result of Employee’s Disability);
      2. the engaging by the General Manager in misconduct which is injurious to the Co-op , monetarily or otherwise  including without limitation sexual harassment, sexual misconduct, or substance abuse;
      3. perpetration of an intentional and knowing fraud against or affecting the Co-op or any customer, supplier, client, agent, or employee thereof;
      4. any willful or intentional act that could reasonably be expected to injure the reputation, business, or business relationships of the Co-op or the General Manager’s reputation or business relationships;
      5. conviction (including conviction on a nolo contendere plea) of a felony or any crime involving fraud, dishonesty, or moral turpitude; or
      6. the breach by the General Manager of any covenant set forth in this Agreement (including without limitation the Confidentiality or Non-compete provisions of the Agreement).
   2. If the Co-op's Board of Directors decides to terminate the General Manager with cause, the Board may do so without severance.  If the Co-op's Board of Directors decides to terminate Employee without cause, the Board will attempt to give sixty days notice of said termination or provide severance pay and benefits equal to sixty days of employment.  Nothing in this provision is intended to alter the at-will nature of this Agreement.
   3. The Co-op requests, but does not require, that if the General Manager decides to terminate her/his employment, s/he will give sixty days notice of said termination.  The Co-op reserves the right to determine the termination date of the General Manager upon receipt of notice, and will provide severance pay and benefits consistent with sixty days notice in the event termination is accelerated.  Nothing in this provision is intended to alter the at-will nature of this Agreement.
2. **Duties and Compensation**.  The job of the general manager is to ensure accomplishment of the organizational results as defined in the ends policies and to avoid unacceptable conditions as defined in the executive limitations policies. The general manager has the authority to user any reasonable interpretation of these policies. The compensation for the General Manager's position is set forth in Schedule A. The General Manager understands that the job expectations and compensation schedule are subject to change at the discretion of the Co-op's Board of Directors.
3. **Best Efforts/Conflicting Interests**.  The General Manager agrees to devote her/his best efforts to furthering the interests of the Co-op during the term of her/his employment.  During her/his term of employment, s/he agrees that s/he will not engage in any activity that (a) conflicts with the Co-op's business interests; (b) occupies her/his attention so as to interfere with the proper and efficient performance of her/his duties at the Co-op; or (c) interferes with the independent exercise of her/his judgment in the Co-op's best interests.
4. **Non-Compete**.  The General Manager agrees not to work as an independent contractor or employee for any organization in competition with the Co-op in the \_\_\_\_\_\_\_\_\_\_ area [city/county] during the General Manager’s employment with the Co-op and for a period of one year after termination of employment at the Co-op.
5. **Non-Disclosure**.  The General Manager understands that in the course of her/his employment with the Co-op s/he may receive confidential and proprietary information including, but not limited to, organization plans, promotional plans, corporation documents including by-laws and details of business operations and financial data pertaining to the Co-op and each of its owners/members (collectively, "Confidential Information").  S/he agrees that at all times during her/his employment, and all times thereafter, s/he will not disclose to anyone outside of the Co-op nor use for any purpose other than her/his work for the Co-op such Confidential Information.  The obligations of this paragraph shall survive termination of this Agreement.  Upon separation from employment, the General Manager will return to the Co-op all materials, disk drives, hard drives, or other data obtained during employment so that any confidential information can be retrieved.
6. **Return of Materials Upon Termination of Employment**.  The General Manager agrees that all property in the Co-op’s possession belonging to the Co-op, including without limitation, all documents, reports, manuals, memoranda, computer print-outs, customer lists, credit cards, keys, identification, products, access cards, automobiles and all other property relating in any way to the business of the Co-op are the exclusive property of the Co-op, even if the General Manager authored, created, or assisted in authoring or creating such property.  The General Manager shall return to the Co-op all such documents and property immediately upon termination of employment or at such earlier time as the Co-op may reasonably request.
   1. **Freedom to Agree.**  The General Manager represents and warrants to Co-op that the General Manager is free to enter into this Agreement and has no contract, commitment, arrangement, or understanding to or with any party that restrains or is in conflict with the General Manager’s performance of the covenants, services, and duties provided for in this Agreement.
   2. **Indemnification.** The General Manager agrees to indemnify Co-op and to hold it harmless against any and all liabilities or claims arising out of any unauthorized act or acts by the General Manager that, the foregoing representation and warranty to the contrary notwithstanding, are in violation, or constitute a breach, of any such contract, commitment, arrangement, or understanding.  The Co-op otherwise agrees to indemnify the General Manager to the extent required by the applicable law.
7. **Arbitration**.  With the exception of any claims arising out of sections 7 or 8 of this Agreement, any controversy or claim arising out of or relating to this Agreement, the breach thereof, and/or the General Manager's employment with the Co-op shall be settled by a single arbitrator in accordance with the then-current procedural rules of the American Arbitration Association ("AAA") for the resolution of employment disputes, and judgment upon the award rendered may be entered in any court having jurisdiction thereof; provided, notwithstanding the provision of the AAA rules specifying that the dispute shall be arbitrated by an AAA arbitrator, the arbitrator shall be selected by mutual agreement, or if no agreement is reached by an arbitrator selected from the Judicial Dispute Resolution panel with each party to alternatively strike names until one name remains. [Option 1: The Co-op and the General Manager shall equally share the fees and the cost of such arbitration, unless General Manager’s gross monthly income is less than 300% of the federal poverty guidelines, in which case the Co-op shall pay the fees and costs of the arbitration.]  [Option 2: The prevailing party shall be entitled to reasonable costs, expenses, and attorney fees incurred in obtaining or enforcing the arbitration award, unless such award costs, expenses and fees would be contrary to applicable law governing a statutory claim brought hereunder.] The venue of such arbitration shall be \_\_\_\_\_\_\_\_ [city, state].
8. **Choice of Law**.  This Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws of the State \_\_\_\_\_\_\_\_, without regard for choice of law principles.
9. **No Assignment**.  This Agreement is for the Co-op to procure the General Manager's unique personal services, and her/his interest in the Agreement shall not be assigned to any other person or entity.
10. **Severability and Complete Agreement**.  The General Manager and the Co-op acknowledge that if any provision of this Agreement is declared void, such provision shall be severed from this Agreement, and the remainder of the Agreement shall remain in full force and affect.  This Agreement sets forth the entire Agreement of the parties as to the subjects contained in the Agreement, and any representations, promises, or conditions on such subjects not in writing and signed by both parties shall not be binding upon either party.

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_               date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[General Manager/Employee]

By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_                date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

President of the Board of Directors

for [full Legal Name of Cooperative]