

## EMPLOYMENT AGREEMENT

This Agreement executed as of the date set forth below but effective as of \_\_\_\_\_, 20\_\_\_\_ between \_\_\_\_\_, a sole proprietorship (hereinafter "Company") and \_\_\_\_\_, (hereinafter "Employee").

NOW, THEREFORE AND IN CONSIDERATION OF THE MUTUAL PROMISES AND AGREEMENTS CONTAINED HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

### SECTION 1. EMPLOYMENT

- 1.1 Term.** The Company agrees to employ Employee as a \_\_\_\_\_ for a term commencing \_\_\_\_\_, 20\_\_\_\_, and continuing until termination in accordance with § 5.
- 1.2 Duties.** Employee accepts employment with the Company on the terms and conditions set forth in this Agreement, and agrees to devote his full time and attention (reasonable periods of illness excepted) to the performance of his duties under this Agreement. Employee shall perform such general and specific duties and shall exercise such general and specific authority as may be assigned to Employee from time to time by the Owner of the Company. In performing such duties, Employee shall be subject to the direction and control of the Owner of the Company. Employee further agrees that in all aspects of such employment, Employee shall comply with the policies, standards, and regulations of the Company from time to time established, and shall perform his duties faithfully, intelligently, to the best of his ability, and in the best interest of the Company. The devotion of reasonable periods of time by Employee for personal purposes, outside business activities, or charitable activities shall not be deemed a breach of this Agreement, provided that such purposes or activities do not materially interfere with the services required to be rendered to or on behalf of the Company.

### SECTION 2. COVENANT NOT TO COMPETE; CONFIDENTIALITY

- 2.1 Noncompetition.** For a period of \_\_\_\_\_ (\_\_\_\_\_) years from the date of this Agreement, Employee shall not, within a \_\_\_\_\_ mile radius of \_\_\_\_\_, \_\_\_\_\_, directly or indirectly, (1) own (as proprietor, partner, stockholder, or otherwise) an interest in; or (2) participate (as an officer, director, or in any other capacity) in the management, operation, or control of; or (3) perform services as or act in the capacity of an employee, independent contractor, consultant, or agent of any enterprise engaged, directly or indirectly, in the business of \_\_\_\_\_ or in competition with any other business conducted by the Company except with the prior written consent of the Company.
- 2.2 Confidentiality.** Employee acknowledges and agrees that all product specifications,

production techniques, lists of the Company's customers and suppliers, product planning information, and other Company data related to its business ("Confidential Information") are valuable assets of the Company. Except for disclosures reasonably made to advance the business of the Company and information which is a matter of public record, Employee shall not, during the term of this Agreement or after the termination of employment with the Company disclose any Confidential Information to any person or use any Confidential Information for the benefit of Employee or any other person, except with the prior written consent of the Company.

- 2.3 Return Of Documents.** Employee acknowledges and agrees that all originals and copies of records, reports, documents, lists, plans, drawings, memoranda, notes, and other documentation related to the business of the Company or containing any Confidential Information shall be the sole and exclusive property of the Company, and shall be returned to the Company upon the termination of employment with the Company or upon the written request of the Company.
- 2.4 Injunction.** Employee agrees that it would be difficult to measure damage to the Company from any breach by Employee of § 2.1, 2.2 or 2.3 and that monetary damages would be an inadequate remedy for any such breach. Accordingly, Employee agrees that if Employee shall breach § 2.1, 2.2 or 2.3, the Company shall be entitled, in addition to all other remedies it may have at law or in equity, to an injunction or other appropriate orders to restrain any such breach, without showing or proving any actual damage sustained by the Company.
- 2.5 No Release.** Employee agrees that the termination of employment with the Company or the expiration of the term of this Agreement shall not release Employee from any obligations under § 2.1, 2.2 or 2.3.

### SECTION 3. COMPENSATION

- 3.1 Base Compensation; Bonus Compensation.** In consideration of all services to be rendered by Employee to the Company, the Company shall pay to Employee gross base compensation of \$\_\_\_\_\_ per year, to be paid in \_\_\_\_ (\_\_\_\_) equal installments every \_\_\_\_ (\_\_\_\_) weeks. Employee shall also be entitled to receive such increases in said gross base compensation as shall be deemed to be appropriate by Owner of the Company in his sole discretion from time to time during the existence of this Agreement. As further compensation, the Company shall pay to Employee such bonus or bonuses as may from time to time be awarded to Employee by the Owner of the Company, payable as such times and in such amounts as the Owner may determine in his sole discretion; provided, however, that this Agreement shall not be construed to require the Owner of the Company to pay any bonus to Employee.
- 3.2 Withholding; Other Benefits.** Base compensation and bonus compensation shall be subject to the customary withholding of income taxes and shall be subject to other withholding of income taxes and shall be subject to other employment taxes required with respect to compensation paid by a company to an employee. The Company shall

provide to Employee and Employee's spouse and children the same coverage and participation that the Company provides to other personnel and their families with respect to accident and health insurance, life insurance, disability income insurance, medical expense reimbursement, wage continuation plans, and other fringe benefits upon Employee's meeting the respective eligibility conditions of each such benefit.

- 3.3 Life Insurance.** The parties hereto acknowledged that the Owner of the Company presently owns and maintains life insurance policy #\_\_\_\_\_ with \_\_\_\_\_ on the life of Employee. The parties hereto further acknowledge and agree that Owner of the Company shall remain the sole and exclusive owner of said life insurance policy and that Employee shall have no right, title or interest said insurance policy or any cash value or proceeds payable thereunder unless and until Employee shall remain employed by Company for a continuous period of \_\_\_\_\_ years from the effective date of this Agreement and not otherwise breach any of his obligations contained herein during said period. If at the end of \_\_\_\_\_ years from the effective date of this Agreement, Employee has remained continuously employed with Company and had fulfilled all of his obligations, covenants and warranties set forth herein then Owner of the Company agrees that the ownership of said life insurance policy shall be assigned or otherwise transferred to Employee as additional compensation and Employee agrees to be solely responsible for any income, withholding or other taxes resulting from said assignment or transfer.

#### **SECTION 4. EXPENSES**

Employee shall be entitled to reimbursement from the Company for reasonable expenses necessarily incurred by Employee in the performance of Employee's duties under this Agreement, upon presentation of vouchers indicating in detail the amount and business purpose of each such expense.

#### **SECTION 5. TERMINATION**

- 5.1 Termination By Prior Notice.** The employment of Employee by the Company may be terminated by either the Company or Employee upon the giving of \_\_\_\_\_ (\_\_\_\_) days' prior written notice to the other party. This Agreement may be terminated at any time upon the mutual written agreement of the Company and Employee.
- 5.2 Immediate Termination.** The employment of Employee by the Company may be terminated immediately in the sole discretion of the Owner of the Company upon the occurrence of any one of the following events:
- 5.2.1** In the event Employee shall willfully and continuously fail or refuse to comply with the policies, standards, and regulations of the Company from time to time established.
  - 5.2.2** In the event Employee shall be guilty of fraud, dishonesty, or any other act of misconduct in the performance of Employee's duties on behalf of the Company.
  - 5.2.3** In the event Employee shall fail to perform any provision of this Agreement to be

performed by Employee.

**5.2.4** In the event of the sale, transfer, or other disposition of all or substantially all the assets of the Company, or the discontinuance of the Company's conduct of the business of \_\_\_\_\_.

**5.2.5** In the event Employee shall suffer a permanent disability. For purposes of this Agreement, "permanent disability" shall be defined as Employee's inability due to physical or mental illness, or other cause, to perform the majority of Employee's usual duties for a period of three (3) months or more.

**5.3 Death.** In the event Employee dies during the term of this Agreement, this Agreement shall terminate, and the Company shall pay to Employee's estate the salary which would be otherwise payable to Employee through the end of the month in which Employee's death occurs.

**5.4 Proration Of Base Compensation.** Except as provided in § 5.3, upon the termination of employment, the base compensation payable to Employee pursuant to § 3.1 shall be prorated to the date of such termination and shall be payable on the first day of the month following such termination date.

## **SECTION 6. VACATION.**

Subject to approval of time by the Owner of the Company, Employee shall be entitled to one or more vacations totaling \_\_\_\_\_ ( ) working days in each calendar year.

Unused vacation time shall not be carried over to future years.

Unused vacation time will be carried over to future years.

Other: \_\_\_\_\_

## **SECTION 7. FACILITIES AND PERSONNEL**

Employee shall be provided such facilities, supplies, and services as shall be reasonably required for the performance of Employee's duties under this Agreement.

## **SECTION 8. REPRESENTATIONS AND WARRANTIES OF EMPLOYEE**

Employee represents and warrants to the Company that there is no employment contract or any other contractual obligation to which Employee is subject which prevents Employee from entering into this Agreement or from performing fully Employee's duties under this Agreement.

## **SECTION 9. MISCELLANEOUS PROVISION**

- 9.1** The provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, successors, and assigns of the parties.
- 9.2** Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be hand delivered or mailed by certified mail, return receipt requested, postage prepaid, addressed to the parties as follows:

COMPANY: \_\_\_\_\_ EMPLOYEE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

All notices and other communications shall be deemed to be given at the expiration of \_\_\_\_\_ (\_\_\_\_\_) days after the date of mailing. The addresses to which notices or other communications shall be mailed may be changed from time to time by giving written notice to the other parties as provided above.

- 9.3** In the event of a default under this Agreement, the defaulting party shall reimburse the non-defaulting party for all costs and expenses reasonably incurred by the non-defaulting party in connection with the default, including without limitation attorney fees. Additionally, in the event a suit or action is filed to enforce this Agreement or with respect to this Agreement, the prevailing party or parties shall be reimbursed by the other party for all costs and expenses incurred in connection with the suit or action, including without limitation reasonable attorney fees at the trial level and on appeal.
- 9.4** No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.
- 9.5** This Agreement shall be governed by and shall be construed in accordance with the laws of the State of \_\_\_\_\_.
- 9.6** This Agreement constitutes the entire agreement between the parties pertaining to its subject matter and it supercedes all prior contemporaneous agreements, representations, and understandings of the parties. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all parties.

WITNESS THE SIGNATURES OF THE PARTIES HERETO, this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

COMPANY: \_\_\_\_\_ EMPLOYEE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_