Suggested General Manager/Chief Operating Officer (COO) Contract

The following wording should only be considered as a general guideline. This contract is not designed to apply in all situations. No contract could be formulated to cover every detail of the business relationship between every club and every GM/COO. Alternative wording has been provided for some of the following terms of agreement. You and your counsel should specify all conditions of employment unique to your situation.

Opening Statement:

This Employment Agreement made and entered into this day of ___________________________, 20___________, by and between (name of club) of (city, county, state) hereinafter referred to as the club and (name of manager), of (city, county, state) hereinafter referred to as the GM/COO.

a) The GM/COO is, at the time of this Agreement, employed as manager of the club and the parties wish to continue such relationship upon the terms and conditions hereinafter set forth.

or

b) All previous employment agreements between the parties are hereby revoked and superseded by this Agreement.

or

c) The parties desire to record the arrangements made for the employment of the GM/COO by the club.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

Term:

The GM/COO’s employment under this Agreement shall be for a period of______ years, commencing on _______________, 20_______, and ending on ___________, 20_______, unless sooner terminated as provided herein.

Compensation:

a) For all services rendered by the GM/COO under this Agreement, the club shall pay the GM/COO a salary of $ _______________ per year, payable in equal (monthly, weekly, etc.) installments at the end of each (week or month). The GM/COO shall also receive all other benefits that are generally available to other club employees including but not limited to expense accounts, medical benefits, life insurance, educational benefits and such additional salary and benefits as may be agreed upon from time to time between the club and the GM/COO.

b) (in cases where the term is indefinite) For all services rendered by the GM/COO under this Agreement, the club shall initially pay the GM/COO a salary at the annual rate of not less than $ _______________ per year, payable in equal (weekly, monthly, etc.) installments. Future compensation shall be at such rates, and payable at such times as shall be mutually agreed upon by the parties, but shall not be less than the compensation stated above. The GM/COO shall also receive all other benefits that are generally available to other club employees including but not limited to expense accounts, medical benefits, life insurance, educational benefits and such
additional salary and benefits as may be agreed upon from time to time between the club and the GM/COO.

Termination:

The Club may terminate this agreement at any time for cause upon thirty (30) days written notice and the GM/COO prior to the effective date of such termination should any of the following occur:

1) The GM/COO’s commission of a felony, fraud, misappropriation or embezzlement, or

2) The GM/COO’s material breach of his obligations as set forth in this agreement if the breach is not corrected within forty-five (45) days of the GM/COO reviewing written notice of the alleged breach, or 3) the GM/COO’s becoming so disabled as to be unable to substantially perform GM/COO’s duties on a full-time basis for a period of _______ (see paragraph entitled “Extended Illness”) or more, and remains unable to substantially perform his duties at the expiration of this period. Such termination for cause shall be approved by a majority vote of the Board of Directors and shall be effective only after written notice setting out the cause for termination and after the GM/COO is provided forty-five (45) days opportunity from receipt of the notice to cure such cause for termination of employment. The Club shall pay the GM/COO the compensation provided in the Agreement plus all benefits through the effective date of such termination. The GM/COO may terminate this agreement at any time upon sixty (60) days written notice to the Club.

Termination — Alternative Language:

The Club may terminate this agreement at any time with or without cause by giving thirty (30) days written notice to the GM/COO and by paying to the GM/COO an amount equal to either six month salary from the date of termination or one month’s salary for each year of employment by the GM/COO with the Club up to a maximum of eighteen (18) months pay, plus full benefits during the severance period, including but not limited to, term life insurance, short and long term disability insurance, medical insurance and pension contributions.

Responsibilities:

The GM/COO shall be responsible to the club’s governing body for all actions concerning the club’s operation and the presiding officer thereof in the event of conflict of interest or difference of opinion among the members thereof. The GM/COO shall use all reasonable efforts to ensure that regulations are observed by members of the club, and shall advise the governing body, or any member thereof, of any violations, abuses of privileges, or unbecoming conduct on the part of members.

Retirement-Pension:

a) In addition to salary, the club agrees to contribute, at the rate of $ ______________ per annum for the duration of this Agreement and during any extension thereof, to the (name of pension plan) currently in effect for the benefit of employees of the club, in order to provide the GM/COO with such death and retirement benefits as are therein contemplated.

or
b) In addition to salary, the club agrees to contribute, at the rate of $ _______________ per annum for the duration of this Agreement and during any extension thereof, to a qualified pension plan for the GM/COO, who shall be consulted with regard to the apportionment between death and retirement benefits. Any such pension plan shall provide for full vesting of all benefits in the GM/COO by the expiration date of this Agreement.

**Insurance:**

a) In addition to other compensation, the club at its own expense shall include the GM/COO in all insurance and hospitalization plans available to employees of the club as a group.

or

b) In addition to other compensation, the club at its own expense shall provide for the GM/COO’s family health insurance coverage at least equivalent to the best available Blue Cross, Blue Shield and Major Medical coverage offered in the area.

**Extended Illness:**

a) Should the GM/COO be unable to substantially perform his duties because of illness or other incapacity, he shall be retained at full compensation and other benefits for one month plus one week for each year of employment. At the expiration of this period if the GM/COO remains unable to substantially perform, this Agreement may be terminated by written notice to the GM/COO.

b) Should the GM/COO be unable to substantially perform because of illness or other incapacity, GM/COO shall be retained at full compensation and other benefits for one month plus one week for each full year of employment. At the expiration of this period, if the GM/COO remains unable to substantially perform, the Agreement may be terminated by written notice to the GM/COO. Upon such termination of this Agreement by the club, the club shall pay to the GM/COO the difference between the salary hereunder and the amount received by GM/COO under any applicable Workman's Compensation Act, Temporary Disability Insurance Act, or the Club’s Sickness and Accident Insurance Plan, if any, for an additional period of (6 months, 1 year, etc.)

**Vacations:**

After one full year of employment by the club, the GM/COO shall be entitled to an aggregate of fourteen days paid vacation per year. After (number) full years of employment by the club, the GM/COO shall be entitled to an aggregate of (number) days paid vacation per year. All such vacations shall be taken at times mutually agreed upon between the GM/COO and the club. Neither leaves of absence to attend educational sessions or Club Managers Association of America Annual Conferences, nor time lost because of sickness or injury shall be deducted from vacation periods. Any vacation time not taken during the term of this Agreement shall accrue and be carried forward from year to year.

**Association Dues:**

The club shall pay, on behalf of the GM/COO, all dues to professional associations to which GM/COO may belong in conjunction with GM/COO’s club position, including the annual dues to the Club Managers Association of America.
**Education Expenses:**

The club shall reimburse the GM/COO for all reasonable expenses incurred in attending the annual conferences of his professional association, educational courses sponsored by it, and meetings of the local chapter thereof, upon presentation of appropriate expense vouchers, in addition to attending the Annual Club Managers Association of America Conference. The GM/COO shall be entitled to attend __________ educational workshop(s) annually sponsored by the Club Manager’s Association of America.

It is further understood that the GM/COO shall, when reasonably possible, be accompanied by the GM/COO’s spouse at the Annual Club Managers Association of America meeting, and at other conferences requested by the Board of Directors, which expenses will be reimbursed by the club.

**Automobile:**

a) The GM/COO shall have the use of an automobile provided by the club. Ordinary service, repairs and insurance for the vehicle shall be performed and provided at the club’s expense.

or

b) The GM/COO is expected to use the GM/COO’s own automobile in the performance of his duties for the club for which the club shall reimburse the GM/COO at the rate of (either so much per mile, or so much per month, etc.)

**Food:**

Meals for the GM/COO shall be provided by the club without charge, in the customary manner, on the club premises and for the convenience of the club.

**Club Privileges:**

The GM/COO (and his/her spouse or family) shall be entitled to full club privileges without charge. The club shall furnish without charge suitable living quarters for the GM/COO and GM/COO’s family, which they shall occupy as a condition of the GM/COO’s employment and for the convenience of the club.

**Arbitration:**

Any controversy or claim arising out of, or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association. Any decision rendered by the arbiter(s) shall be final, conclusive and binding upon the parties, and may be entered as judgment in any court having jurisdiction thereof. Notice of a demand for arbitration shall be sent in writing to all parties to this Agreement. The demand for arbitration shall be made within a reasonable time after the dispute has arisen.

**Inurement:**

This Agreement shall be binding upon and shall inure to the benefit of the club and its successors and assigns, but shall not be assignable by the GM/COO.
Notice:

Any notice required to be given by this Agreement shall be effective only if in writing, and delivered personally, or sent by first class mail, postage prepaid, if to the GM/COO, addressed to the GM/COO at the GM/COO’s last known residence, and if to the club, addressed to its last known business address, or to such other address as either party shall have specified by notice given in the manner described above.

Extension:

Unless either party to the Agreement gives written notice to the other prior to _________ days before the end of the term of this Agreement of an intention to terminate the Agreement, this Agreement is extended for an additional period of _________ year(s) beyond the period stated in this Agreement under the same conditions and terms as contained in this Agreement.

Severability:

If any one or more of the provisions of this Agreement shall be held unenforceable or invalid, the enforceability and validity of all other provisions of this Agreement shall not be affected thereby.

Waiver:

The waiver by either party to this Agreement of a breach of any term of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

Entire Agreement:

This instrument contains the entire agreement between the parties and may not be amended in any way except by agreement in writing and signed by both parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement on the

______________________________ day of ____________________, 20 __________

WITNESS: ________________________________ By ________________________________

______________________________

Title ________________________________

GM/COO ________________________________