



## EMPLOYMENT AGREEMENT

THIS AGREEMENT is made, and entered into, the \_\_\_\_ day of \_\_\_\_\_, 2012, by and between \_\_\_\_\_ (hereinafter referred to as "Employee") and NORTH AMERICAN DIRECTORY SERVICES (hereinafter referred to as "NADS"), a Colorado business.

1. **EMPLOYMENT.** NADS has employed Employee, and Employee has accepted employment with NADS as sales representative, upon the terms and conditions herein set forth.
2. **TERMS OF EMPLOYMENT.** This agreement shall commence upon \_\_\_\_\_, 2012. Employee is an at-will employee and employment shall be terminated in the manner set forth hereinafter. Employee agrees that upon entering into this agreement, he/she shall have, or continue to have, liability auto insurance for his or her automobile.
3. **EXCLUSIVE SERVICES.** Employee is to consider this a "full-time" job and agrees to give the position his/her "best effort" when doing the job. Furthermore, employee agrees to spend approximately forty (40) hours per week in this capacity. During the term of employment, employee shall not engage in any other business activity without prior permission from NADS.
4. **COMPENSATION.** All sales representatives are employees of North American Directory Services. Each employee must complete and file IRS form W4 and have appropriate withholding and FICA taxes withheld from commission checks. All employees are covered by Unemployment and Worker's Compensation Insurance. Commissions are paid weekly in accordance with the receipt of employee's job packet. Employee state taxes are withheld in Colorado, therefore employee must file a Colorado State Tax form at year end.
  - A. Commission on "receivables". Employee is to receive a fixed rate of 30% on **all** accounts receivable (monies that were not collected along with the written sales contract).
  - B. Commission on "collected monies". All monies collected along **with** the sales agreement are to be paid at a commission rate of 20%, 30% or 35% depending on the total dollar amount of sales received when a job is deemed "complete". These rates will be determined on the basis of whether or not said employee reaches BASE or BONUS. Upon reaching BASE, employee receives a 30% commission rate on monies collected upfront. Upon reaching BONUS, employee receives a 35% commission rate on monies collected upfront. Employees unable to reach BASE will receive a commission rate of 20% on all monies collected along with the sales contracts.

Failure to reach BASE is equivalent to an employee "walking-off" of a job early. The amount required to accomplish BASE and BONUS will be determined by NADS and given to Employee prior to acceptance of each job.
  - C. Commission upon Termination. In the event that employee gives NADS two (2) weeks notice prior to termination of employment, NADS will allow the employee a full two (2) week time period to collect all outstanding accounts receivable. In such event, Employee shall continue all sales duties during the two-week period, and shall receive all commissions on payments received by NADS within the two- (2) weeks following termination. Employee forfeits all account commissions beyond this additional two- (2) week period.

ALL commissions on uncollected sales accounts shall be forfeited in the event that Employee terminates employment without notice.
5. **NON-COMPETE/NON-DISCLOSURE.** Employee agrees that, except as required by his duties to NADS, he/she will not, during employment and for all times subsequent to such employment, directly or indirectly, use, disseminate, or disclose any "confidential information" concerning the business or customers of NADS. Confidential information includes, but is not limited to, information disclosed to employee or known to him as a consequence of or through his association with NADS, not generally known in the industry

in which NADS is engaged, about NADS services or processes, including information as to its clients and distribution lists, marketing techniques, pricing policies, financial information, or trade secrets.

Employee agrees upon signing this Agreement that in the event that said employee creates or owns a like or similar business, NADS hotel/motel accounts will not be contacted at **any** time in the future with the intent of doing directory business. Employee further agrees that the covenants he/she has made in this Agreement are reasonable with respect to their duration and prescription. Further, Employee agrees that the covenants made in this part five (5) shall be construed as an agreement independent of any other provisions of this Agreement, and shall survive the termination of this Agreement.

**6. TERMINATION.** By Colorado law, the Employee is in an "at-will" employment relationship. At-will employment provides that the employee may be terminated WITH OR WITHOUT CAUSE at any time. Additionally, Employee may terminate his/her employment at any time subject to the limitations on receiving commissions as stated herein. Upon termination, Employee shall return to NADS all directory samples, paperwork and any other items belonging to NADS. **All** materials (directory samples, paperwork) must be returned to NADS following resignation or termination before **any** accounts receivable will be paid to employee. Termination will result in the employee forfeiting commissions on ALL uncollected accounts. This same forfeiture applies any time an employee quits or walks-off of a job prior to its completion unless otherwise specified or authorized by the company. Unauthorized trade-outs are grounds for fines and/or termination.

**7. ENTIRE AGREEMENT.** This instrument contains the entire agreement of the parties with respect to Employee's employment with NADS. It may not be changed orally, but only by an agreement in writing signed by all parties.

**8. SEVERABILITY.** If any provision of this Agreement becomes or is found to be illegal or unenforceable for any reason, such clause must first be modified to make it legal and enforceable, then if necessary, second, severed from the Agreement to allow the remainder of the Agreement to remain in full force and effect.

**9. APPLICABLE LAW.** This agreement will be interpreted and enforced with the laws of the State of Colorado. In the event a suit is brought concerning, relating to, or to enforce any provision within this agreement, it shall be brought in Larimer County, Colorado.

**10. ATTORNEY FEES.** If either party shall commence any action or proceeding against the other party in order to enforce the provisions hereof, or to recover damages as a result of an alleged breach of any provision hereof, the prevailing party therein shall be entitled to recover all reasonable costs incurred in connection therewith, including, but not limited to, reasonable attorney fees.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above (page 1).

Tate Ellinger, General Partner      X \_\_\_\_\_

\_\_\_\_\_ (EMPLOYEE)      X \_\_\_\_\_