

**NBA Employment Contract.**

**NBA EMPLOYMENT CONTRACT**

THIS AGREEMENT is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 1987 by and between \_\_\_\_\_, a corporation (hereinafter referred to as the "Club"), and \_\_\_\_\_ (hereinafter referred to as the "Employee").

WITNESSETH

WHEREAS, the Club desires to employ the Employee, and the Employee desires to be so employed.

NOW, THEREFORE, the Club and the Employee, in consideration of the premises and of the mutual promises hereinafter set forth, agree as follows:

1. *Employment.* The Club shall employ the Employee and the Employee shall serve the Club as Head Coach for its professional basketball team or such other position as the President of the Club shall direct from time to time, and the Employee shall perform all of the duties incident to such positions. In addition, the Employee shall perform all duties, not inconsistent with the duties of such positions, as may be prescribed from time to time by the President of the Club. In the performance of his duties, the Employee shall observe the requirements of the Constitution, By-Laws and Rules of the National Basketball Association, including, without limitation, Article 35.1 of the Constitution.

2. *Extent of Services and Authority of Employee:*

2.1 Employee shall devote all of his time during the term of his employment to the affairs of the Club and to performing the duties incident to the position held by the Employee. During the time the Employee is the Head Coach, the Employee shall, with the prior approval of the Club, have the authority to hire assistant coaches and scouts and shall be consulted with respect to the acquisition, transfer and dismissal of the Club's basketball players, whether by drafting, signing, trading, purchasing, selling or terminating the contract of such players. The Employee shall be available for activities such as appearances on the pre-game show, ticket promotion, public and media appearances, speeches and interviews which may be reasonably required by the Club. In addition the Employee shall perform services at basketball camps or clinics operated by the Club at such time as the Club and Employee mutually agree provided, however, that the Employee may, but is not required to appear at more than five (5) such camps or clinics in any one (1) calendar year during the term hereof.

2.2 In performance of his duties under this Agreement, the Employee shall receive his instructions from and shall report to the President of the Club or such other person as shall be directed by the President of the Club.

3. The term of the Employee's employment with the Club shall commence July 1, 1987 and shall continue through June 30, 1990.

4. *Compensation.*

4.1 For his services provided hereunder, the Club shall pay to the Employee:

*For the Period:*  
July 1, 1987 through June 30, 1988: \$250,000.00  
July 1, 1988 through June 30, 1989: \$250,000.00

July 1, 1989 through June 30, 1990: \$250,000.00

The Club shall pay to the Employee \$50,000.00 on July 1, 1987 and the balance of \$200,000.00 for the 1987-88 year and \$250,000.00 for each of the subsequent years in twenty-four (24) equal semi-monthly installments on the fifteenth (15th) and last day of each month during the period for which each is to be paid commencing July 15, 1987.

4.2 In addition to the compensation as herein specified, the Employee shall receive additional compensation in the form of bonuses:

(a) In the event the Club wins 50 regular season games in any season, the sum of \$20,000.00 within thirty (30) days of the conclusion of the NBA Playoffs.

(b) In the event the Club wins a Division title in any season during the term of the Agreement, \$20,000.00 shall be paid within thirty (30) days of conclusion of that season's NBA Playoffs.

(c) During each year of this Agreement the Club shall pay to the Employee a bonus equal to one-twelfth of the total amount paid to the team's players' playoff pool for participating in the playoffs. This playoff bonus shall be figured by taking the total amount awarded by the National Basketball Association to the Teams players, and dividing that amount by twelve, the number of active players on the roster allowed by the National Basketball Association. The bonus shall be paid as one-twelfth, regardless of how players may subdivide their playoff pool. The Club shall pay this bonus to the Employee not more than fourteen (14) days after the National Basketball Association has paid the then current year's bonus, if any, to the players. In the event the National Basketball Association directly pays the Employee a bonus for participating in the playoffs, that bonus shall be set-off against the one-twelfth share guaranteed by the Club.

(d) In the event the Club wins an NBA championship in any season during the term of this Agreement, \$25,000.00 shall be paid within thirty (30) days following the conclusion of the season's NBA Playoffs.

(e) In the event the Club has the best record in its conference in any season during the term of this Agreement, \$5,000.00 shall be paid to the Employee within thirty (30) days following the conclusion of the NBA Playoffs.

(f) In the event that the Employee is chosen the Coach of the Year by the NBA administered ballot or Sporting News, the Club shall pay the Employee the sum of \$10,000.00 within thirty (30) days following such choice.

4.3 The Employee may retain any compensation he receives for endorsements, appearances on radio or television or at speaking engagements, except for appearance on the pre-game show, and provided, however, that the Club approves such appearances, which consent will not be unreasonably withheld.

4.4 The Club, at its expense, shall provide the Employee with the same group life, major medical and hospitalization insurance as it generally provides other non-player employees.

4.5 The Club, at its expense, shall provide to the Employee for his use during the entire period of the Agreement an automobile, including gas, reasonable maintenance and insurance. The Employee agrees during the term of this Agreement to maintain such automobile in excellent condition and shall not misuse same, and the Employee is liable for any damages or costs related to abuse or misuse of auto. The Employee shall not remove the automobile from the State without the express written approval of the President of the Club.

4.6 Any fines levied by the National Basketball Association officials against the Employee relating to Employee's actions during exhibition and league games, including playoffs, will be paid by the Club, provided that the Employee's conduct resulting in such fines is within the reasonable scope of his employment and is in accord with the requirements of the Constitution, By-Laws and Rules of the National Basketball Association.

4.7 It is the express intent of the Club and Employee, conditioned upon the Club's ability to purchase a policy of life insurance company licensed to do business in the State in an amount not to exceed \$500,000 on a non-rated basis, that in case of Employee's death, except for death by suicide, during the term of this Agreement, Employee's beneficiary designated in writing to Club or, if none survives, then Employee's estate, shall be paid the full amount of compensation set forth in Paragraph 4.1 of this Agreement and such part of the compensation set forth in Paragraph 4.2 earned as of the date of death. In the event the Club is required to make any payments pursuant to this subparagraph, said payments may be made, at Club's discretion, on an equal amortization over a ten (10) year period, without interest, commencing with the contract year in which the first payment would be due and terminating at the end of said ten (10) year period.

4.8 If the Employee is disabled by physical bodily injury or sickness from rendering his services to the Club hereunder and conditioned upon the ability of the Club to purchase disability insurance with respect to the Employee on

a non-rated basis, the Club shall pay the Employee fifty percent (50%) of the remaining balance due as compensation set forth in paragraph 4.1 and such part of the compensation set forth in Paragraph 4.2 as is earned as of the date of disability. In the event the Club is required to make any payments pursuant to this subparagraph, said payments may be made at the Club's discretion on an equal amortization over a six (6) year period, without interest, commencing with the contract year in which the first payment would be due and terminating at the end of said six (6) year period.

5. *Restrictive Covenant.* In the event that, during the term of this Agreement, the Employee terminates his employment with the Club, the Employee covenants and agrees that for a period of two (2) years after the date of such termination, but not beyond the term of this Contract, he shall not accept employment as, become employed in the capacity of, or in any other way, directly or indirectly carry out the duties of a coach or in any other manner directly or indirectly carry out any basketball related duties for any term operating as a member of the National Basketball Association. The Employee represents and agrees that he has extraordinary and unique skill and ability as a basketball coach and basketball executive and that the services to be rendered by him hereunder cannot be replaced or the loss thereof adequately compensated for in money damages. The Employee acknowledges that any violation of this covenant by the Employee will cause irreparable damage to the Club and that injunctive relief is the appropriate remedy to enforce the terms of this covenant.

6. *Vacations.* The Employee shall be entitled to one (1) month's vacation during each year of this Agreement. The Employee may choose the period during which he will take each vacation, provided, however, that the vacation must be taken during the months of June, July, August or early September and does not occur during the National Basketball Association season, including playoff games. The Employee may not take his vacation preceding the NBA College Draft, customarily held in June of each year or during any summer development camp.

7. *Publicity.* The manner and time of the release of publicity of the Employee's employment by the Club shall be subject to the prior approval of the Club.

8. *Termination.*

8.1 *Termination for Cause.* Upon the happening of any of the following events, the Club, in its sole discretion, may terminate this Agreement at any time and the Employee's employment hereunder, without pay, by giving not less than five (5) days' written notice of such termination to the Employee:

(a) The Employee's conviction of any crime involving moral turpitude, unless the conviction arose out of circumstances where the Employee acted in good faith, for a purpose which the Employee reasonably believed to be in the best interests of the Club and the Employee and had no reasonable cause to believe that such conduct was unlawful; or

(b) The President of the Club, in his sole discretion, shall make a good faith determination that, because of the Employee's use of alcohol or an illegal drug, the Employee has become unable effectively to perform the duties of his employment hereunder; or

(c) Any action that violates the Constitution, By-Laws, or Rules of the National Basketball Association and that, in turn, prevents the Employee from fulfilling his obligation under this Agreement.

8.2 *Termination Without Cause.* The Club may, at its sole discretion, terminate this Agreement at any time and the Employee's employment hereunder by giving not less than five (5) days' written notice of such termination, provided that, upon such termination, the Club's obligation to pay compensation, as set forth in Paragraph 4.1 of this and such part of the compensation set forth in Paragraph 4.2 earned as of the date of termination, shall continue for the remainder of the term of this Agreement.

9. *Strike or Work Stoppage.* Except in the case where the Employee is actively supporting any strike or work stoppage, any strike or work stoppage shall not affect the Employee's right to receive the compensation due pursuant to this Agreement.

10. *Notice.* Any notice required or permitted to be given under this Agreement shall be sufficient if in writing, and if personally delivered or telegraphed to the known location of the Employee, or if not known, then sent by registered or

certified mail to the residence of the Employee or the legal representative of his estate or to the principal office of the Club, as the case may be.

11. *Waiver of Breach.* The waiver by either party hereto of the breach of any provision of this Agreement by the other shall not be deemed a waiver of any subsequent breach.

12. *Entire Agreement.* This Agreement represents the entire agreement between the parties hereto regarding the subject matter hereof and supersedes all prior contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties in connection with the subject matter hereof. No supplement, modification, waiver, or amendment of this Agreement or any provision hereof shall be binding unless executed in writing by the parties hereto.

13. *Assignment.* The rights and duties arising under this Agreement shall not be assignable or delegable by the Employee hereto without the prior written consent of the Club. These rights and duties are assignable or delegable by the Club upon the sale of all or substantially all of the Club's basketball assets.

14. *Governing Law.* This Agreement and all questions arising in connection with it shall be governed by the laws of the State.

15. *Arbitration.* Any controversy or claim arising out of or relating to this Agreement shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered in such arbitration may be entered in any Court having jurisdiction thereof.

EXAMPLE