

PRE-PARTNERSHIP EMPLOYMENT CONTRACT

GREENFIELD FARMS

THIS PRE-PARTNERSHIP EMPLOYMENT AGREEMENT is made between Richard Greenfield of Greenfield Farms, the employer, and Steven Greenfield, the employee, for the operation of a 1500 acre field crop business in Anytown, Michigan.

THE PURPOSE of the agreement is to establish a set of mutually agreed-upon employment conditions and compensation to assist the Greenfield family in evaluating the feasibility of Steven entering into a long-term partnership arrangement with Greenfield Farms after a three-year pre-partnership employment arrangement.

Richard Greenfield believes that Steven's experience, skill, personal goals, and technical proficiency will enhance Greenfield Farm's labor supply and management capabilities. He is pleased that his son, Steven, is considering the farming business as his profession.

Steven Greenfield desires to enter the family business as an employee for a three-year period in order to learn more about the business and establish a working relationship with the employer and the business. He believes the business arrangement will provide an opportunity to decide whether he wants to become an owner, operator, and manager of a farm business as a future career.

1. **Term.** This Employment Contract begins on January 1, 199x and continues until December 31, 199x, unless terminated sooner by one of the parties. The contract will be evaluated at the end of each year and changes made in the terms that are agreed upon by the parties.
2. **Scope of Employment.** (a) Steven agrees to accept the duties involved in operating a field crop business and supervision by Richard in the performance of the labor and management functions as assigned by the employer. These duties include, but are not limited to, preparation of the fields, planting, harvesting, marketing commodities, purchasing inputs, and maintenance of machinery. The general employment times will be specified by Richard on a weekly basis and a record of hours worked the previous week kept by Steven and given to Richard during Monday morning planning meetings.
 - (b) It is expected that Steven will attend farm-related trade shows and meetings, workshops, and educational courses to enhance his skills and knowledge about field crop production and business management.
 - © Steven will devote his best efforts, on a full-time basis during the cropping season, to Greenfield Farms, and will not engage in any employment or enterprise detracting from this goal, unless approved by the employer. Steven is encouraged to find employment during the off-season to supplement his income or attend educational class to further his skills and knowledge of managing a business.
 - (d) After the first year of the employment agreement, Steven can rent up to 160 acres of land from neighbors for the production of field crops and lease capital resources from Greenfield Farms to operate the land. Machinery and equipment rental terms and conditions will be detailed in a separate agreement.
 - (e) Steven will attend monthly management meetings of Greenfield Farms with the family owners and discuss management policies, procedures, and decisions and technical production practices in growing and marketing crops. It is expected that Steven will be prepared to participate in the management discussions and complete budgets, reports, or other tasks as requested.
3. **Compensation.** (a) Steven will be paid a base wage of \$8 per hour for the first year of this

contract. This amount can be increased or decreased by semi-annual wage reviews on July 1 and January 1. Payment will be made weekly at the Monday morning meeting.

- (b) Two weeks paid vacation will be allowed during the growing season at a agreed upon time.
- © A **\$500** deductible comprehensive health insurance policy will **be provided as a** benefit.
- (d) Greenfield Farms will reimburse Steven for the cost of undergraduate courses, continuing education classes, informal seminars, and other employment-related educational expenses.
- (e) Steven will accrue a profit share equal to one-third of the increase in Greenfield Farms net after tax retained earnings during the calendar year of employment. This amount will be recorded in Greenfield Farms capital accounts as a future share contribution to a partnership if a partnership is formed by the parties at the end of the pre-partnership employment contract. If a partnership is not formed, one-half of the recorded amount will be paid Steven as additional salary during the last year of the agreement. The remaining one-half will revert back to Greenfield Farms capital account if a partnership is not formed.

4. Termination. (a) Steven may resign his employment position and terminate this agreement after the crops are harvested with a 30 day written notice **of** his intention to resign. After the first year, Steven must give notice by January 1 **of** his intention to continue the agreement during the following year.

(b) Richard may terminate this agreement after the crops are harvested with a 30-day written notice if Steven does not perform his duties satisfactorily. After the first year, Richard must give notice by January 1 of his intention to continue the agreement during the following year.

© If a partnership is formed between Richard and Steven at the end of the third year of the contract, this agreement will terminate with the writing of a formal partnership agreement. If the parties decide a partnership is not desirable at the end of this contract, this agreement will be terminated or may be renegotiated.

SIGNATURE TO THE AGREEMENT by the employer and employee.

Employer _____

Employee_____

Date _____