

Charles King  
Sandy, UT  
(801) 885-5024

via electronic transmission  
[kingcharles2350@yahoo.com](mailto:kingcharles2350@yahoo.com)

Re: **Offer of Employment**

Dear Charles:

On behalf of the Board of Directors of Hot Springs Village Property Owners Association, it is my privilege to offer to you the position of General Manager of the Association. This letter will be followed by a more formalized and comprehensive Employment Agreement. Until that Agreement is issued, however, the Board wishes to memorialize the major points of your employment.

1. Your starting date will be 8-1-20. As GM, you will have all authority and responsibility of that position under Arkansas law, subject to the overall authority of the HSVPOA Board of Directors. Unless otherwise specified, any action of the Board requires the vote of a majority of directors' present at the meeting at which such issue is considered, and after notice thereof in compliance with Arkansas law (hereinafter "Lawful Vote of the Board."). The issue of your employment has already been subject to a Lawful Vote of the Board.
2. Your base annual salary shall be \$200,000, payable in equal installments in accordance with HSVPOA's normal payroll policies and subject to required withholdings.
3. Beginning in fiscal year 2021, you may be eligible for a discretionary bonus payment of up to 25% of your base salary, based upon the achievement of certain financial goals as determined in the sole discretion of the Board and subject to Lawful Vote of the Board.
4. During the period of the first 90 days of employment, your employment with HSVPOA may be terminated only "for cause" as that term will be defined in the Employment Agreement. In general, "cause" for termination will exist should you:
  - 4.1. Continue to act in violation of the terms of your Employment Agreement after notice from the Board to you of the violation and a period of no less than 30 days to cure the violation and to once again act in accordance with the Agreement and Lawful Vote of the Board;
  - 4.2. Intentionally take action that is against the interests of HSVPOA, as determined by Lawful Vote of the Board;
  - 4.3. Being charged with a felony or crime of moral turpitude, subject to reinstatement without back pay or other damages in the event the charge(s) is dismissed or you are found not guilty by the appropriate finder of fact (jury or judge);
  - 4.4. Die or become permanently disabled rendering you incapable of performing the essential functions of the position of GM;
  - 4.5. Intentionally violate any applicable local, state or federal law or regulation affecting HSV in any material respect, as determined by Lawful Vote of the Board;
  - 4.6. Act in a manner that constitutes disloyalty, gross negligence, willful misconduct, dishonesty, fraud, or breach of fiduciary duty to HSVPOA, after Lawful Vote of the board;



- 4.7. Engage in the repeated non-prescription abuse of any controlled substance or the repeated abuse of alcohol or any other non-controlled substance which the Board reasonably determines renders you unfit to serve as GM, all such determinations made in compliance with the Americans with Disabilities Act.
5. After the first 90 days, your employment will be "at-will" terminable at any time and for any or no reason that is not illegal, and terminable by you or by HSVPOA, by Lawful Vote of the Board. In the event of a termination without cause after 90 days, your relief under this Agreement shall be limited to continued payment of your normal salary amount for a period of six (6) months. Benefits shall not continue to accrue or to be paid during this time period. Termination by either party shall be made by 60 days advanced notice of intention to terminate, such notices to be in writing and sent via electronic mail to you or the Chairperson, as the case may be.
  6. For the period ending December 31, 2020, you will accrue 10 days of vacation time. These 10 days may be carried forward into 2021 if you wish. Starting January 1, 2021, you will accrue four (4) weeks' (20 days) vacation each year. You may use vacation time in the current year before it actually is accrued, but such use will be limited to vacation time expected to accrue in the current year, up to a maximum of four weeks minus the amount of vacation previously taken in the current year. Unless authorization to the contrary is made by a Lawful Vote of the Board, vacation time must be used in the year it is accrued. Accrued but unused vacation time shall be surrendered as of January 1 of the year following its accrual.
  7. You will be eligible for participation in the Association's 401k plan, subject to the terms and conditions thereof, including any matching or other benefits accorded to other HSVPOA executive level employees.
  8. You and your dependent family members shall be eligible to participate in the HSVPOA employee health plan subject to the same terms and conditions as other executive level employees.
  9. HSVPOA will provide, at no cost to you, a term life insurance policy in the amount of \$400,000. The policy amount may be changed on account of any increase in your salary, with the goal being to keep the life insurance in amount equal to two times your then current annual salary.
  10. No bonus will be available to you for the year 2020. After 2020, you may be eligible for a bonus payment, determined based upon the achievement of certain financial goals, as determined by Lawful Vote of the Board.
  11. HSVPOA will provide to you, at no cost to you, a cellular telephone. HSVPOA will be responsible for the selection of the carrier and plans and HSVPOA will be responsible for selection of and payment for the cost of the telephone and applicable voice and data plans. The telephone and all data contained thereon shall remain the property of HSVPOA.
  12. Upon receipt of satisfactory proof of charges, HSVPOA will reimburse you for the cost of relocation of you and your family, up to a maximum of ~~\$7,500~~ <sup>\$15,000</sup>.
  13. For the time period of up to two months, HSVPOA will pay directly to the lessor the reasonable expense of a rental or lease of a suitable, furnished property in which you and your family may live during your transition to Arkansas, up to a max of \$2,500.00.
  14. In the event of a legal issue between yourself and HSVPOA that otherwise would proceed to litigation, the matter shall be resolved by arbitration in accordance with the rules applicable to employment disputes by the American Arbitration Association.
  15. You and your dependent family members may use all amenities available at HSV free of charge.

DSP  
7/11/2021



16. You will be subject to an agreement containing a non-compete provision prohibiting your employment with any municipality located within fifty (50) miles of Hot Springs Village for a period of one year following the separation of your employment with HSVPOA. You will be subject to a non-solicitation provision prohibiting your participation in any manner in securing or attempting to secure the employment of any person employed by Hot Springs Village or any entity associated therewith with any other entity, or otherwise interfering with the employment of any person employed by HSV for a period of one year following the separation of your employment with HSVPOA. You will be subject to an agreement requiring you to return all property of HSVPOA or any related entity to HSVPOA immediately upon the separation of your employment. You will be subject to an agreement requiring that you indefinitely maintain as confidential all confidential information of Hot Springs Village or any entity related thereto.
17. At its discretion, HSVPOA will either furnish to you a fleet vehicle to drive in the prosecution of your employment duties or HSVPOA will pay \$.50 per mile per existing policy for use of your vehicle for such purpose.
18. Under the Employment Agreement that is to follow, both you and HSVPOA will be subject to other terms and conditions not discussed in this letter but which are routinely included in Employment Agreements.

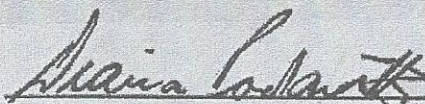
I hope that you find these terms to be acceptable. If you do, please sign where indicated on the last page and return an executed copy of this letter to me at:

Diana Podawiltz  
Chairperson, HSVPOA Board of Directors  
895 DeSoto Blvd.  
Hot Springs Village, AR 71909

I look forward to working with you to achieve good things for Hot Springs Village residents.

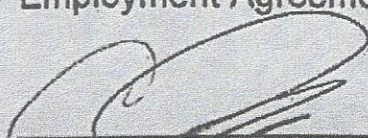
Sincerely,

Hot Springs Village Property Owners Association  
Diana Podawiltz, Chair

  
\_\_\_\_\_  
Diana Podawiltz

7/11/2020  
Date

I, Charles King, hereby accept the job offer of General Manager of Hot Springs Village Property Owners Association, on the terms and conditions set forth above and in an Employment Agreement that will follow this letter.

  
\_\_\_\_\_  
Charles King

7-13-20  
Date