EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is by and between New Mexico Junior College (hereinafter referred to as "College"), and Dr. Steve McCleery (hereinafter referred to as "McCleery").

WITNESSETH:

WHEREAS, College desires to continue to employ McCleery in the capacity of President of College; and

WHEREAS, McCleery desires to continue his employment as President of College; and

WHERAS, the parties desire to set forth their agreement concerning the continued employment of McCleery as President of the College.

NOW, THEREFORE, it is mutually agreed as follows:

1. Employment. College agrees to employ McCleery and McCleery accepts employment as President of College. As President of College, McCleery shall assume and perform all of the duties and exercise all of the powers conferred upon presidents of community colleges in the State of New Mexico by law as well as such duties and functions as are now or may hereafter be imposed from time to time by action of the College Board ("Board"). As President, McCleery shall be the chief executive officer of the College and shall have charge of its administration according to the policies adopted by the Board. It is specifically agreed between the parties that the employee handbook of the College ("Handbook") does apply to McCleery unless otherwise provided for in this Agreement or in the Handbook. If there is any conflict between this Agreement and the Handbook, the provisions of this Agreement shall control.

2. Commitment. McCleery agrees that he will faithfully and industriously use his experience, ability and talent to perform all of the duties that may be required of McCleery. McCleery agrees to devote substantially all McCleery's time, attention and energies to his duties as President. McCleery may expend reasonable amounts of time for personal or private business affairs, provided such activities do not interfere with the duties and services to be rendered by McCleery. McCleery shall not render services of any professional nature to or for any person, firm, or board as a gift or for compensation, unless he consults with and obtains prior approval from the Board to do so. McCleery may not engage in any activity that may be competitive with or adverse to the best interests of College or that gives the appearance of being so.

3. Term. This Agreement is for three (3) years effective July 1, 2012, and terminating June 30, 2015, unless extended as provided herein. At the conclusion of each year of this Agreement, this Agreement is automatically extended an additional year unless prior written notice is provided by either party, on or before March 31 to not extend the term of this Agreement. Unless such notice not to extend is given by either party this Agreement shall be for a continuous three year period. In the case written notice not to extend is provided, this Agreement shall continue for the unexpired balance of the then existing term, unless otherwise terminated as provided herein. It is specifically understood between the parties that nothing

contained in this Agreement shall be construed to guarantee or imply an expectation of continued employment with the College beyond the term of this Agreement.

4. Annual Review. No later than March 31 of each calendar year, the Board and McCleery shall meet in closed executive session for the purpose of evaluation of the performance of McCleery and expressing recommendations and observations on how such performance may be improved. McCleery shall be evaluated on the job performance, McCleery's professional goals set by the Board, and goals of McCleery and College.

5. Compensation. For all services rendered by McCleery under this Agreement, McCleery shall be paid an annual salary payable in bi-weekly installments in accordance with College practice. For the first year of this Agreement, the annual salary shall be One Hundred Ninety Thousand Dollars ($190,000). All such salary and any bonuses under this Agreement shall be subject to all withholding as required by law and deductions for benefits. The annual salary shall be reviewed annually following the Annual Review of McCleery. Such salary may be adjusted at the discretion of the Board. McCleery shall have all fringe benefits afforded other college employees. The College will pay for McCleery's membership at the Hobbs Country Club. All McCleery's personal expenses at Hobbs Country Club will be paid by McCleery as incurred.

6. Annual Review Bonus. In addition to all other compensation paid to McCleery under this Agreement, in the sole discretion of the Board, the Board may award McCleery a bonus if it determines that McCleery has exceeded the performance measures set forth in his previous annual review. Such bonus may be awarded in lieu of or in addition to any salary increase, or may not be awarded, in the sole discretion of the Board.

7. Retention Bonus. Assuming the availability of funds for compensation as determined by the Board and McCleery is still employed as President of the College on the date of payment of the bonus as set forth below, McCleery shall be entitled to retention bonuses as follows:

A. McCleery has completed more than five years as President of the College. Therefore, on June 30, 2013, McCleery shall be entitled to a retention bonus in the amount derived by multiplying the number of years of service as President of the College divided by 100, times his salary, as determined solely under paragraph 5, as of June 30, 2013.

B. After McCleery has completed three years as President of the College after the Effective Date and each three years thereafter, McCleery shall be entitled to a retention bonus in the amount derived by multiplying the number of years of service as President of the College divided by 100, times his salary, as determined solely under paragraph 5, as of the last day of the most completed service.

8. Deferred Compensation. Each year during the term of this Agreement, including the first year, McCleery may, at his option, direct that a mutually agreeable amount of his salary described in paragraph 5 be paid into a deferred compensation program to be developed by the parties.

9. Annual Expense Stipend. The Board may, in its sole discretion, pay an additional annual stipend to McCleery to cover additional reasonable, necessary and customary expenses

associated with activities and responsibilities of President, to include, but not be limited to Board development, lobbying expenses, meal and entertainment expenses, miscellaneous out-of-pocket expenses, etc. This expense stipend will be treated as income to McCleery and be subject to all applicable withholding. The amount of the annual stipend will be set by the Board each year and shall be distributed to McCleery in semi-monthly installments. The stipend will not exceed a total annual sum of Twenty One Thousand Four Hundred Dollars ($21,400). McCleery may request an advance of stipend funds in amounts not to exceed the remaining annual stipend as of the time of the advancement request.

10. Housing and Automobile. McCleery agrees to maintain a residence and live in Lea County, New Mexico. McCleery agrees to provide a reasonably suitable vehicle for use on College business. College shall provide McCleery an allowance each year during the term of this Agreement in the amount of Twelve Thousand Dollars ($12,000) per month payable at the same time as salary is paid to pay for housing and automobile expenses. McCleery shall carry liability insurance on vehicles owned or leased by McCleery and used in College business, in the amount of, at least $500,000 combined single limit or 250,000/500,000/100,000 split limit per accident.

11. Home Communication. College shall provide McCleery with a data circuit (T-1) line to the College, a wireless network, a lap top computer and such other technology and communication devices as the parties may agree would be useful or beneficial in McCleery carrying out the duties of President. The College shall pay for all expenses incident thereto, including repairs and equipment replacement.

12. Professional Development of McCleery. College encourages the continuing professional growth and development of McCleery through participation, as he might decide, in light of the duties of the President, in:

A. The operations, programs and other activities conducted or sponsored by local, state and national association;

B. Seminars and courses offered by public or private educational institutions; and

C. Informational meetings with other persons whose particular skills or backgrounds would serve to improve the capacity of the President to perform his professional responsibilities to the College.

McCleery shall report to the Board on his activities upon return to College. College shall pay all registration fees, and all necessary and reasonable travel, lodging and meal expenses associated therewith.

13. Vacation. McCleery shall receive thirty (30) days paid vacation in addition to the recognized paid holidays of the College. The time of such vacation is to be determined between the Chairman of the Board and McCleery. Unused vacation shall accrue from year to year but shall not exceed sixty (60) days. However, once per year, McCleery can request pay in lieu of time off in an amount not to exceed 50% of the accumulated vacation, at the time of such request. At the time of execution of this Agreement, McCleery has 230 accumulated vacation hours.

14. Sick Leave and Holiday Leave. As of the date of this Agreement McCleery is entitled to 960 hours of accumulated sick leave. McCleery is entitled to accrue sick leave as any other

employee of the College. McCleery is also entitled to all official school holiday leave as any other employee of the College.

15. Group Health Insurance, Group Life Insurance and Disability Income Plan. McCleery shall be entitled to participate in the group health insurance, group life insurance, accidental death insurance program and disability income plan, as any other employee of the College. Upon agreement of College and McCleery, College may: (i) maintain through group insurance policies or otherwise, term life insurance on McCleery as the insured with benefits payable to a beneficiary as McCleery may elect, and/or (ii) a long term care insurance policy of McCleery's choice.

16. Annual Wellness Examination. McCleery will arrange for an annual medical examination at a medical facility mutually agreeable to McCleery and the Board. McCleery agrees to disclose to the Board any findings that would impact his ability to perform his job duties. The cost of such examination and any reasonable travel and lodging expenses associated therewith will be paid for by College.

17. New Mexico Educational Retirement Board. McCleery may participate as a regular member in salary deduction payments as required by the New Mexico Educational Retirement Board. McCleery will be eligible to participate in any retirement plan, if established by the College, as any other employee of the College.

18. Employment of Relatives. Employment of relatives of McCleery by College shall be done only with approval of the Board.

19. Termination of Agreement. McCleery's employment as President may be terminated by:

A. Mutual written agreement of the Board and McCleery;

B. Resignation or retirement by McCleery, provided McCleery gives the Board at least three (3) months' notice of such resignation or retirement, if McCleery gives such notice, the period of McCleery's employment shall continue until the effective date of the resignation or retirement, unless terminated earlier pursuant to another subparagraph of this paragraph 19;

C. Mental or physical disability of McCleery which prevents McCleery, as determined by the Board in the Board's reasonable discretion, from performing the essential functions of the role of President as required under this Agreement;

D. Death of McCleery.

E. Termination for Just Cause. Upon receipt by McCleery of written notice from the Board of the reasons the Board believes constitute just cause for termination of McCleery's employment as President, which may include, but not be limited to reasons set forth in the Handbook, McCleery will immediately be placed on administrative leave with full salary, housing, automobile and insurance benefits according to this Agreement, except that McCleery may not enter the College campus or have access to or use of any College facilities or personnel, without the express written permission of the Board. McCleery will have ten (10) days from receipt of the notice of the Board's intent to terminate McCleery for just cause, to request in writing a hearing to appear with counsel before a meeting of a quorum of the Board in closed Executive Session to respond to the grounds for the proposed termination (a "hearing"). If McCleery does not request a hearing, upon expiration of the ten day period in which McCleery could have requested a hearing, the McCleery's employment will terminate, and all benefits to McCleery under this Agreement will immediately cease and any accrued but unpaid vacation days will be forfeited. If McCleery does request a hearing, within five (5) days of receiving such a request for a hearing from McCleery, the Board shall set a date for a hearing which date shall be not less than seven (7) days, nor more than twenty-one (21) days, from the date the Board received the written request for a hearing from McCleery. If McCleery does request a hearing, after hearing arguments from McCleery refuting the Board's grounds for the proposed termination, a majority of the Board members may vote to terminate for just cause McCleery's employment as President. If the Board votes to terminate for just cause McCleery's employment as President, McCleery's employment will terminate and all benefits to McCleery under this Agreement will immediately cease, and any accrued but unpaid vacation days will be forfeited. The exclusive process and remedy available to McCleery for challenging the Board's decision to terminate McCleery for just cause, is the binding arbitration provisions in paragraph 22 of this Agreement. If after a hearing the Board votes not to terminate for just cause McCleery's employment as President, the Board may either vote to reinstate McCleery, or terminate McCleery without cause according to subparagraph 19F. The term "just cause" as used in this subparagraph shall mean a breach or violation by McCleery of any of the terms or provisions of the Agreement or of any of his obligations under this Agreement, and shall also encompass its normally understood meaning in employment contracts, including for example, acts of dishonesty, willful misconduct, refusal, inability or unwillingness to perform the duties and responsibilities of the office of President, insubordination to the Board, prolonged absence from duty without the consent of the Board, or conduct that involves moral turpitude or that would tend to bring serious public disrespect upon the College or any violation of the laws of the State of New Mexico or the United States.

F. Termination Without Cause. McCleery may be terminated as President for convenience without cause at the sole discretion of the Board, upon thirty (30) days written notice to McCleery. McCleery shall be paid all accrued but unpaid vacation days on the final day of his employment. McCleery shall also be paid a severance amount equaling the lesser of: (i) one (1) year's annual salary as determined under paragraph 5 only; or (ii) a payment of salary as determined under paragraph 5 only for the number of months remaining in this Agreement at the time of termination, but in no event shall such payment be less than six months salary. Upon termination McCleery shall no longer be entitled to any other payments or benefits except as specifically set forth in this paragraph 19 F.

G. Nondisparagement. In the event of the termination of this McCleery's employment pursuant to paragraph 19 E or F, both parties agree they will not issue in any public or private forum, any critical or detrimental statements concerning McCleery, College, the Board or any College policy or personnel.

20. Work Product and Confidentiality. All correspondence, papers, documents, reports, files, work products and all copies thereof, received or prepared by McCleery in the course of performing, or as incident to McCleery's duties, as President shall immediately upon receipt and preparation become the exclusive property of the College for any and all purposes. All items described above shall be provided to and left with College upon termination of McCleery's employment with College. Further, all items described above including intellectual property or trade secrets of College shall be considered confidential and/or propriety information of College upon termination of McCleery's employment with College, and McCleery shall maintain all such information in confidence after termination of McCleery's employment with College. The provisions of this paragraph shall survive the termination of McCleery's employment with College.

21. Indemnification. McCleery shall be held harmless and indemnified by College against any and all claims and liabilities to which he has or shall become subject by reason of serving or having served as President of College, or by reason of any action alleged to have been taken, omitted or neglected by him as President, and the College shall reimburse him for all legal expenses, provided, however, that he shall not be indemnified against or be reimbursed for any expense incurred in connection with any claim or liability arising out of his willful misconduct or gross negligence.

22. Dispute Resolution. College and McCleery agree to submit any and all disputes arising under this Agreement including, but not limited to, disputes relating to issues of interpretation, breach and remedies relating to same, to binding arbitration. It is the intention of the parties to resolve all such disputes by arbitration pursuant to the New Mexico Uniform Arbitration Act and in accordance with the Employment Dispute Arbitration Rules of the American Arbitration Association, but not with the American Arbitration Association administration. Both parties agree to use their best efforts to resolve any dispute within thirty (30) days.

23. Multi-Year Contracts. The obligations and responsibilities of College under the terms of this Agreement are subject to future appropriation of funds by the New Mexico Legislature in an amount sufficient to allow continuation of the performance by College hereunder for each and every fiscal year following the first fiscal year in which this Agreement is in effect. Upon receipt of notice that sufficient funds are not available for continuation of this Agreement, College shall give McCleery written notice of such event and, effective thirty (30) days after giving such notice, or upon expiration of the time for such funds were sufficiently appropriated, whichever occurs first, the College shall thereafter be relieved of further obligations to McCleery under this Agreement.

24. Waiver. No waiver by either party of any rights under this Agreement will be valid unless set forth in writing and signed by the party waiving such rights. The failure of either party to insist upon strict performance of any terms of this Agreement shall not be construed as a waiver in the future of any other provisions.

25. Governing Law/Severability. This Agreement will be interpreted under the laws of the State of New Mexico. If any specific clause of this Agreement is determined to be void or

unenforceable for any reason, the remainder of this Agreement shall remain in full force and effect.

26. Modification/Amendment. Any modification or amendment of this Agreement must be in writing and signed by both parties to be effective.

27. Successors and Assigns. Neither this Agreement, nor any of McCleery's rights, powers, duties or obligations hereunder, may be assigned by McCleery.

Executed effective as of July 1, 2012 ("Effective Date").

New Mexico Junior College

By:______________________
Guy Kesner, Chairman

Steve McCleery
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Dr. Steve McCleery