

## **EMPLOYMENT AGREEMENT**

THIS EMPLOYMENT AGREEMENT has been made and entered into as of the 26th day of January, 2026, by and between the Northern Indiana Commuter Transportation District, an Indiana state agency and municipal corporation (hereinafter called "District" and David Dech of Delray Beach, Florida, hereinafter called "President", WITNESSETH:

### **SECTION 1. Operation of Agreement.**

This Agreement shall be effective and operative immediately upon its execution by the parties hereto.

### **SECTION 2. Employment; Period of Employment.**

- (a) The District hereby agrees to employ the President and the President hereby agrees to become employed by the District upon and subject to the terms and conditions set forth herein.
- (b) The District shall employ the President on a full-time basis beginning March 16, 2026 ("Start Date") and which shall end three (3) years from the Start Date, except as provided herein below. The three-year period of employment shall be automatically extended for one (1) additional year on each anniversary date of the Start Date, unless either party gives written notice of termination of such automatic extension at least thirty (30) days prior thereto, in which event this Agreement shall be terminated at the end of the 3-year period in effect at the time such notice is given. Notwithstanding the provisions of this Section 2(b), the period of employment shall be reduced to two (2) years on the first anniversary date following the Executive's attainment of his 63<sup>rd</sup> birthday, and further, the period of employment shall be reduced to one (1) year on each subsequent anniversary date, thereafter (beginning on the first anniversary date following the President's attainment of his 64<sup>th</sup> birthday).

### **SECTION 3. Position, Duties, Responsibilities.**

- (a) The President shall serve, during the period of his employment, as an employee of the District. During the term thereof, he shall serve as President of the District (which may also be referred to as the role of General Manager).
- (b) Throughout the period of employment, the President shall devote his full working time as is necessary and required to conduct the business affairs of the District except for reasonable vacations and illness or incapacity, but nothing in this Agreement shall preclude the President from engaging in charitable organizations, community activities, or post-graduate educational pursuits provided that such activities do not material

interfere with the regular performance of his duties and responsibilities under this Agreement.

(c) The relationship of the President to the District is of a special confidential relationship calling for the highest degree of fiduciary and executive responsibility so that the President will:

1. Diligently devote himself to the interests and goals of the District.
2. Comply with all policies, resolutions and directions relating to the business of the District as may be required by the Board of Trustees of the District.

#### **SECTION 4. Compensation and Related Matters.**

(a) For all services rendered by the President in any capacity during the period of employment including, without limitation, services as President or member of any committee of the District or any subsidiary, division, or affiliate of the District, the President shall be paid as compensation:

1. An annual base salary of **Three Hundred Twenty Five Thousand Dollars (\$325,000.00)** commencing March 16, 2026, and ending March 15, 2027, along with increases in such salary as shall be awarded from time to time by the Board of Trustees unless a higher salary is agreed to by the District and President. Notwithstanding the preceding, during the period of employment on each anniversary of the Start Date the President shall receive an increase to the annual base salary in an amount equal to the higher of three percent (3%) or the National Railway Labor Conference BLS Consumer Price Indexes (CPI-W) for the prior calendar year, unless a different percentage is mutually agreed to by the District and the President in writing.
2. President performance awards, bonuses, or other incentive grants as may be agreed upon by and between the President and the District during the period of employment; provided, however, that after January 1 of each year during the period of employment the President shall receive, as a bonus, one percent (1%) of the total freight fees paid to the District by the Chicago South Shore and South Bend Railroad for the prior calendar year, which shall be computed annually thereafter based upon the prior year freight fees received by the District from the South Shore and South Bend Railroad. For example, during the calendar year 2027, President shall receive the above-described bonus for freight fees paid during the calendar year 2026. Each subsequent year, the bonus

will be paid based upon the prior year's fees received from the Chicago South Shore and South Bend Railroad. The bonus payable to President with respect to any year shall be paid to President on or before March 15 of the year immediately following the calendar year for which such bonus is due.

In the event that the period of employment under this Agreement is renewed in 2031 or any year thereafter, the President's bonus shall be increased to one and one-half percent (1.5%) of the total freight fees paid to the District by the Chicago South Shore and South Bend Railroad for the prior calendar year, which shall be computed annually thereafter based upon the prior year freight fees received by the District from the South Shore and South Bend Railroad. For example, during the calendar year 2032, President shall receive the above-described bonus of one and one-half percent (1.5%) for freight fees paid during the calendar year 2031. Each subsequent year, the bonus will be paid based upon the prior year's fees received from the Chicago South Shore and South Bend Railroad. The bonus payable to President with respect to any year shall be paid to President on or before March 15 of the year immediately following the calendar year for which such bonus is due.

In the event the President is employed by the District for less than a full calendar year, including but not limited to the first year of employment beginning on March 16, 2026, or in the event of the termination of President's employment with the District prior to the end of a calendar year, President shall be entitled to a pro-rated portion of the bonus for such year (based on the number of calendar days during such year that President was employed by the District divided by the number of days in the year); *provided, that* President shall not be entitled to a bonus for such year if President's employment is terminated by the District for Cause or President voluntarily resigns his employment without Good Reason.

President shall also be entitled to deferred compensation pursuant to that certain Deferred Compensation Plan f/b/o David Dech (the "Plan"). The Chair of the Board of Trustees is authorized to execute the Plan on behalf of the Board.

3. The District will also pay all reasonable business expenses in conjunction with the activities of the President while involved in official business activities of the District. In addition, the District agrees to provide the President with a functional automobile for normal and reasonable business travel including commuting to and from his residence which may include de minimis personal use. Maintenance and operating expenses of said automobile shall be reimbursed to the President or directly invoiced to the District by a vendor performing maintenance work. As an option, the President may lease an automobile with the approval of the District's Chief Financial Officer ("CFO")

and Controller and be reimbursed for leasing costs, maintenance and operating expenses. The President will use diligence in pursuing competitive pricing for this option. The District recognizes that in the performance of his duties, the President may be required to entertain various persons and representatives of organization with whom the District would like to have business relationships at locations and with persons deemed reasonably necessary and appropriate. All of these expenses shall be limited to the extent that the type of expense is permitted as a deductible expenses by the Internal Revenue Service of the United States of America. The District's CFO and Controller shall periodically review with the President the business expenses submitted to the District for reimbursement or which expenses have been paid directly by the District to determine that the expenses charged by the President are appropriate, proper, and reasonably related to the business of the District. The President shall reimburse the District any expense found not to meet the criterion aforesaid by the District's CFO and Controller, or any expense disallowed by the Internal Revenue Service or the Indiana State Board of Accounts.

4. During the period of employment, the President shall be entitled to participate in any employee welfare benefit programs of the District, and has service dates for such plan, to the extent allowable by the specific plans, shall be based upon the number of credited service months he has in the Railroad Retirement system. This includes any group hospitalization or other medical plan, health care plan, health savings account, dental care plan, disability compensation program, supplemental pension plan, railroad retirement pension program or other insurance or death benefit plan on a full-time employee basis with benefits overall valued not to be less than were in full force and effect at the time this Agreement became effective and operative. The District shall not hereafter make any changes in such plans or programs which would adversely affect the President's rights or benefits thereunder unless such changes are agreed to in writing by the President or are for some reason unavailable to the District or the President beyond the reasonable control of the District. However, the President will cooperate in permitting proposed changes in welfare benefit programs for the best interests of the District as a whole even though such changes may effect in some manner the type or quality of coverage offered the President so long as the President is not left with respect to the programs generally and substantially in a worse position than he would have been prior to the changes.
5. The President shall be entitled to five (5) weeks' vacation during each calendar year during the period of employment. Unused vacation time shall carry over

to subsequent contract years or, at the President's discretion, can be paid to President in amounts consistent with other employees of the District without further consent being required. The District, consistent with its personnel policies, shall compensate the President for unused vacation in the event this Agreement is terminated consistent with the applicable sections. In addition, the President shall be entitled to all paid holidays given by the District to their other employees, as well as Compensation Time. The Board of Trustees of the District shall periodically review with the President, his use of Compensation Time to determine that the basis for such time taken by the President was appropriate, proper, and reasonably related to the business of the District consistent with the criteria for Compensation Time for other District employees. The President shall reimburse the District if any time taken is found not to meet the criterion aforesaid by the Board.

6. Inasmuch as it is contemplated that President shall require temporary housing prior to a permanent move to Northwest Indiana and shall incur costs to relocation to Northwest Indiana, President shall be entitled to \$50,000.00 as a "moving and relocation" allowance. This allowance shall be paid in four (4) equal installments, with the first payment made within seven (7) days after execution of this Agreement, the same being February 2, 2026; with each subsequent payment made the 2nd day of each subsequent month thereafter until paid in full, the same being March 2, 2026, April 2, 2026, and May 2, 2026.

Moving and relocation allowance payments made prior to the Start Date shall not have any deductions or withholdings made for payroll, Social Security, Railroad Retirement, income, or any other taxes. For these payments, the President shall be solely responsible for payment of all taxes. Moving and relocation allowance payments made after the Start Date shall have all standard and applicable deductions and withholdings made for payroll, Social Security, Railroad Retirement, income, and all other taxes required to be accounted for by the District as an employer.

This moving and relocation allowance shall be forfeitable in the event that President is Terminated for Cause under Section 5, or President Terminates this Agreement without Good Reason (as defined in Section 7), during the first year of the period of employment. In such an event, the amount to be forfeit shall be calculated the total amount of the allowance (\$50,000) by the following fraction: (12 minus the number of months that have fully elapsed) ÷ 12. (e.g. if

President Terminates without Good Reason 65 days after the Start Date, only 2 months would have fully elapsed and the pro-rated amount would be  $\$50,000 \times 10/12 = \$41,666.66$ ). The President agrees to repay the District for any forfeited amount that has already been paid to the President within thirty (30) days of termination. Alternatively, the District shall have the right to withhold any amount of money otherwise owed to the President pursuant to this Agreement, and to apply the withheld amount toward the repayment of the forfeited amount of the allowance.

7. President has agreed to and shall relocate to Northwest Indiana (Lake, Porter, LaPorte or St. Joseph Counties) by May 31, 2026.

## **SECTION 5.                   Termination by the District for Cause.**

(a) The President's employment under this Agreement may be terminated by the District without a breach by the District under this Agreement only for "Cause" or for death or disability as described in Section 6. For purposes of this Agreement, the District shall have "Cause" to terminate the President's employment during the period of employment upon the happening of any one of the following:

1. The President's willful breach of duties, obligations, or policies of the District;
2. Any intentional tort committed by the President which causes substantial loss, damage or injury to the property or reputation of the District;
3. The President's commission of any criminal act amounting to a felony while employed with the District;
4. Habitual neglect of the President's reasonable duties (for any reason other than illness or incapacity) which is not cured within fifteen (15) days after written notice thereof by the Board of Trustees of the District;
5. The President's continued violation of written rules and policies of the District after written notice of the same;
6. The President's commission of any dishonest act in a public or private capacity such as theft, fraud, misappropriation, or embezzlement of funds;

7. Any material breach of the President's ongoing obligation not to disclose confidential information, or breach of the President's duty of loyalty to the District;

(b) Termination for Cause shall be effective only upon the vote of not less than a majority of the Trustees of the District then in office after reasonable notice to and an opportunity for the President, together with his counsel, to be heard before a meeting of not less than a majority of the Board of Trustees of the District then in office and delivery to the President of a notice of termination stating the grounds and particular details constituting Cause. The Board of Trustees shall, after the President's opportunity to be heard, determine whether Cause exists to terminate the President's employment. The effective date of the Board's determination shall be referred to as the "termination date." The Board of Trustees shall have the discretion to relieve the President of all powers, duties and responsibilities while a determination of Cause is being undertaken and reserves the right to cease payment of the President's salary on the date of the notice of termination.

#### **SECTION 6.                   Termination by the District for Death or Disability.**

If, during the employment period, the President shall die or become disabled, this Agreement and the President's employment hereunder shall cease and terminate. The Board of Trustees of the District, upon the vote of not less than a majority of the Trustees of the District then in office, may determine that the President is disabled if, as a result of the President's physical or mental incapacity, he is unable to substantially perform his duties with the District on a full-time basis for any twenty-six (26) of thirty (30) consecutive weeks, termination because of disability shall be effective ten (10) days following the delivery of notice of termination to the President setting forth the Board's findings of disability and the reasons therefore, unless within such ten (10) day period the President shall return to the full time and competent performance of his duties.

#### **SECTION 7.                   Termination by the President for Good Reason.**

- (a) In the event that the President should reasonably determine in good faith that his status, functions, duties, or responsibilities with the District have diminished subsequent to the execution of this Agreement, or that there has been a material breach by the District of any of the material terms, provisions, duties and responsibilities set forth in this Agreement, the President may resign from his employment with the District during the employment period and shall be considered to have resigned for Good Reason.
- (b) The President shall be required to give a thirty (30) day notice to the District of his intent to resign for Good Reason. This notice shall include a statement of all reasons, including any breach of the terms of this Agreement, for such resignation. The District shall have thirty (30) days in which to cure any breach and remedy any reason for such resignation. Failure by the President to provide the notice required by this Section shall result in the forfeiture of all rights, payments, and benefits granted under Section 8.

(c) Termination for Good Reason shall not mean resignation by the President in order to take advantage of another employment opportunity. If the President resigns to accept other employment, the President shall provide a minimum of thirty (30) days written notice to the Chairman of the Board of Trustees of the District. During the notice period, the President shall continue to fulfill all his duties and responsibilities set forth above and shall use his best efforts to provide training and support to his replacement, if any.

## **SECTION 8.                   Severance Benefits.**

(a) In the event of the termination of the employment of the President for a reason other than Cause, as defined in Section 5(a), or death or disability, as defined in Section 6, the following severance benefits provided by this Agreement shall constitute the entire obligation of the District to the President and shall constitute full settlement of any claim under law or in equity that the President might otherwise assert against the District or any of the employees or Trustees of the District on account of such termination:

1. The District shall pay the President in cash within ten (10) business days following the Termination Date and by the fifth business day of each month following the month in which the Termination Date falls through the last month of the period of employment an amount equal to the sum of one-twelfth (1/12<sup>th</sup>) of the President's annual base salary at the highest rate during the twelve months preceding the Termination Date. The District shall withhold from this and all other benefits payable under this Agreement, all federal, state, local, county, or other taxes as shall be required pursuant to any law or governmental regulation or ruling.
2. Until the expiration of the period of employment, the District will maintain, in full force and effect for the continued benefit of the President (and any dependents as of the Termination Date), including any group hospitalization plan, health care plan, dental care plan, life or other insurance or death benefit plan, or similar present group employee benefit plan or program, in which the President was entitled to participate immediately prior to the Termination Date, unless essentially equivalent and no less favorable benefits are provided by the District. If the terms of any benefit plan of the District do not permit continued participation by the President after the Termination Date, the District shall arrange to provide to the President essentially equivalent and no less favorable benefits than are provided by the District. The President shall have the option of having assigned to him at no cost and with no apportionment of repaid premiums any assignable insurance policy owned by the District and relating specifically to his employment with the District.

3. Upon the Termination Date, the District shall pay the reasonable costs of outplacement services for the President for a period of up to one (1) year after the Termination Date or until the expiration of the period of employment, whichever occurs first. The District and the President will mutually agree upon which outplacement firm will provide these services. The parties may, by mutual agreement, extend the period of outplacement firm services up to six months.
4. The amounts paid under this Section shall be reduced by an amount equal to the amount received by the President from another party for services rendered during the time in which the severance benefits under this Agreement are to be paid. The President shall be required to mitigate the amount of any payments or benefits received under this Agreement by seeking other employment during the remainder of the period that payments and benefits are to be paid.

(b) In the event the employment of the President is terminated for Cause, as defined in Section 5(a) or because of the death or disability of the President, as defined in Section 6, the District shall have no further obligations to the President under this Agreement.

(c) In the event the President terminates employment for any reason other than Good Reason, as defined in Section 7, the District shall have no further obligation to the President, other than providing such benefits to the President as other employees of the District would be entitled to upon resignation of employment.

(d) Although the parties to this Agreement do not believe payments made pursuant to this Section would constitute "parachute payments" under Section 280G of the Internal Revenue Code, in the event the District receives a notice of deficiency or an opinion of counsel to the contrary, no payment shall be made to the President hereunder to the extent such payment would constitute a nondeductible "excess parachute payment" under Section 280G of the Internal Revenue Code of 1954, as amended, or similar provisions then in effect. In the event of any question as to whether payments otherwise due hereunder constitute excess parachute payments, the matter shall be determined jointly by the firm of certified public accountants regularly employed by the District and the firm of certified public accountants selected by the President, in each case upon the advice of actuaries to the extent the certified public accountants consider necessary, and, in the event such accountants are unable to agree upon a resolution of the question, such matter shall be determined by an independent firm of certified public accountants selected by both firms of accountants.

## **SECTION 9. Legal Expenses.**

In the event that the President institutes any legal action to enforce his rights under, or to recover damages for breach of this Agreement, the President, if he is the prevailing party, shall be entitled

to recover from the District actual reasonable expenses for attorney's fees and disbursements incurred by him.

## **SECTION 10. Assignability to Successors without Written Approval of President.**

This Agreement is not assignable by either party and shall be binding upon successors in interest only in the event written approval therefor is given by the other party.

## SECTION 11.

All notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be sufficiently given if and when mailed in the continental United States by registered mail or certified mail or personally delivered to the party entitled thereto at the address stated below or to such changed address as the addressee may have given by a similar notice:

### To the District:

Northern Indiana Commuter Transportation District  
33 East U.S. Highway 12  
Chesterton, IN 46304

## To the President:

David Dech  
33 East U.S. Highway 12  
Chesterton, IN 46304 (with a copy to his last known address)

Any such notice delivered in person shall be deemed to have been received on the date of delivery.

**IN WITNESS WHEREOF**, the District and the President have executed this Agreement as of the date and year first written above.

# NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT

By:

Carl A. Bogenmeyer

Its: Vice Chair

Attest:

Attest:  


PRESIDENT

A handwritten signature in black ink, appearing to read "David Dech".

David Dech