

## Independent Contractor Agreement

This Independent Contractor Agreement (the “**Agreement**”), dated and effective as of \_\_\_\_\_, 2010, is entered into by and between (Insert Name of Company), a (Insert State or Province of Incorporation and Type of Entity, i.e., a California Corporation) (“**COMPANY**”) and (Insert Name of Contractor or Company of Contractor) as principal, an individual having a place of business at (Insert Address of Contractor) (“**CONTRACTOR**”).

### 1. Services to be Provided

The services include the following:

[Be as specific as possible listing out services to be provided with appropriate milestones and/or objectives and dates they should be completed by. The more specific you can be in this section the better from the perspective of clarity and ensuring your needs are met.]

### 2. Compensation.

COMPANY will pay CONTRACTOR at a rate of \_\_\_\_\_ per month, paid on the first of each month in accordance with COMPANY’s standard payroll practices as may be modified from time to time. COMPANY will also pay CONTRACTOR a commission on revenue of \_\_\_\_%. Revenue includes all income from the following sources: [list revenue sources to be considered in determining compensation] Revenue shall be calculated each month by the 10<sup>th</sup> of the month for the prior month and paid by the 15<sup>th</sup> of each month.

### 3. Deliverables.

Specific Goals and Objectives:

[List any specific deliverables here]

### 4. Term.

[indicate term of agreement or if agreement is at-will and can be cancelled at any time]

### 5. Certain Other Agreements.

[Use this section for any additional terms or conditions unique to the particular CONTRACTOR.]

**6. Current Information.** CONTRACTOR has truthfully completed the information required upon Attachment 1 and will apprise COMPANY, in writing, of any changes thereto through the end of the fiscal tax year in which this Agreement expires or is terminated.

### 7. Standard Terms & Conditions.

COMPANY and CONTRACTOR each acknowledge that the relationship between the parties is governed by the Standard Terms & Conditions attached hereto as Schedule 1 and incorporated into the Agreement by reference.

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ACKNOWLEDGED AND AGREED:

**Insert Name of Company Here**

**Insert Name of Contractor Here**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

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## Schedule 1: Standard Terms & Conditions

**1. Services.** CONTRACTOR agrees to provide the services as mutually agreed by the parties. This Schedule 1 is attached to the initial services description, and these terms shall govern all additional services, unless otherwise agreed in writing.

**2. Term and Termination.** This Agreement shall continue until terminated by either party upon 30 days' written notice, provided that termination by CONTRACTOR shall not be effective until completion of any specifically defined term applicable at the time of such notice. Upon termination of this Agreement for any reason, the terms of paragraphs 5 through 12 shall survive and remain in effect.

**3. Payment for services; Expenses; Equipment.** As full compensation for the services to be provided by CONTRACTOR for activities that are substantiated, pre-approved and actually worked, COMPANY agrees to pay CONTRACTOR in such amounts, at such times and in such manner as agreed in writing. CONTRACTOR is responsible for paying all expenses arising from CONTRACTOR's performance of the services. CONTRACTOR shall furnish, at CONTRACTOR's sole expense, all equipment and materials used to perform the services.

**4. Independent Contractor.** CONTRACTOR shall perform the services as an independent CONTRACTOR and shall not be deemed to be an employee of COMPANY. CONTRACTOR shall not be entitled to any benefits provided by COMPANY to its employees, and COMPANY will make no deductions from any of the payments due to CONTRACTOR hereunder to pay any governmental agency or authority, except as may otherwise be required by law. CONTRACTOR shall be personally responsible for any and all taxes and other payments due on payments received hereunder.

**5. Contractor's Employees.** Contractor may use its own employees or subcontractors to perform the services required of Contractor by this Agreement. COMPANY shall not be responsible for the compensation or instruction of CONTRACTOR'S employees or assistants, and payment to those employees or assistants and all liability inherent within the hiring or use of such employees remain the sole responsibility of CONTRACTOR.

**6. Representations and Warranties of Contractor.** CONTRACTOR represents and warrants that (i) during COMPANY's retention of CONTRACTOR, CONTRACTOR will not disclose to COMPANY, or use, or induce COMPANY to use, any confidential, proprietary or trade secret information of others; (ii) CONTRACTOR has returned all property and confidential, proprietary and trade secret information belonging to all prior employers or clients, if any, and that no such information has been or will be used in connection with rendering any of the services hereunder; (iii) performance of the terms of this Agreement will not breach any agreement to keep in confidence or in trust prior to being retained by COMPANY. CONTRACTOR has not entered into, and agrees not to enter into, any oral or written agreement in conflict herewith; and (iv) CONTRACTOR is highly skilled and experienced in providing the services.

**7. Confidential Information.** In connection with this Agreement, COMPANY may disclose to CONTRACTOR certain information (i) that is marked or otherwise identified, orally or in writing, as confidential or proprietary information of COMPANY ("Confidential Information") prior to, upon or promptly after receipt by CONTRACTOR; or (ii) which CONTRACTOR should recognize from the

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circumstances surrounding the disclosure to be Confidential Information. CONTRACTOR shall hold all Confidential Information in confidence and will use such information only for the purposes of fulfilling CONTRACTOR's obligations hereunder and for no other purpose, and shall not disclose, provide, disseminate or otherwise make available any Confidential Information of COMPANY to any third party, in either case without the express written permission of COMPANY.

During your employment or business relationship with [Insert Name of Owner of Company] and COMPANY and any time thereafter, to the fullest extent permitted by law, you agree to keep confidential and never disclose, use, misappropriate, or confirm or deny the veracity of, any statement or comment concerning [Insert Name of Owner of Company] and COMPANY, or any of her/its Confidential Information.

The phrase 'Confidential Information' as used in this policy, includes but is not limited to, any and all information which is not generally known to the public, related to or concerning: (a) [Insert Name of Owner of Company] and/or her business or private life; (b) the business activities, dealings or interests of COMPANY and/or its officers, directors, affiliates, employees or contractors; (c) COMPANY's employment practices or policies applicable to its employees and/or contractors; and, any confidential information, knowledge and know-how, concerning the operations, products, services, procedures, or customers of COMPANY, in any format whatsoever, including, without limitation, the techniques, formulations, organization, design, implementation, preparation and other operations, methods, and accumulated experiences incidental thereto, and further including, without limitation, information relating to marketing techniques, advertising, policies, procedures, promotions, customer lists, membership lists, mailing lists, registration

cards, sales records, concepts, ideas, trade secrets, other proprietary information, training materials, teaching aids, and/or research of COMPANY. Further, any and all Confidential Information which by its nature is confidential or which COMPANY, in its sole and absolute discretion, designates as such shall be deemed Confidential Information for purposes of this Agreement.

During your employment or business relationship with COMPANY, and thereafter, you are obligated to refrain from giving or participating in any interview(s) regarding or related to [Insert Name of Owner of Company], COMPANY, your employment or business relationship with COMPANY and/or any matter which concerns, relates to or involves any Confidential Information.

#### **8. Non-interference with Business.**

CONTRACTOR agrees not to solicit or do business with those clients or associates of COMPANY which CONTRACTOR gained knowledge of through CONTRACTOR's relationship with COMPANY, if such business could present any possible conflict of interest with the work between CONTRACTOR and COMPANY.

During the term of your affiliation with COMPANY and for a period of twelve (12) months immediately following the termination of such affiliation, CONTRACTOR agrees not to directly or indirectly, for yourself or on behalf of any other person or entity: contact, solicit or communicate with any customer of COMPANY (or its affiliates) unless part of a previously approved joint-venture arrangement or with the prior approval of COMPANY; or, solicit, divert, employ, engage or hire any employees of COMPANY. Further, if you directly or indirectly provide services to any customer (or former customer) of COMPANY after the aforesaid one

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(1) year period you shall pay COMPANY a commission equal to 15% of gross revenue received as a result of such relationship for a period of two (2) years.

**8. Ownership.** All work performed hereunder, and all materials developed or prepared for COMPANY by CONTRACTOR (whether or not completed) (such materials, "Creations"), are Confidential Information and the sole and exclusive property of COMPANY, and all right, title and interest therein shall vest in COMPANY and shall be deemed to be a work made for hire and made in the course of the services rendered hereunder. To the extent that title to any such works may not, by operation of law, vest in COMPANY or such Creations may not be considered works made for hire, all right, title and interest therein are hereby irrevocably assigned to COMPANY. All such Creations shall belong exclusively to COMPANY, with COMPANY having the right to obtain and to hold in its own name all copyrights, registrations or such other protection as may be appropriate to the subject matter, and any extensions and renewals thereof. CONTRACTOR agrees to give COMPANY and any person designated by COMPANY any reasonable assistance, at the cost and expense of COMPANY, to perfect the rights defined in this Section 8.

**9. Indemnification.** CONTRACTOR will defend, indemnify and hold COMPANY harmless against any and all liabilities, losses, damages, costs and expenses (including legal fees/expenses) associated with any claim or action brought against COMPANY by a third party arising from (i) a breach or alleged breach of any of the representations and warranties of CONTRACTOR contained herein, (ii) a breach or alleged breach of any other covenant contained herein, or (iii) any finding by any agency or court that deems CONTRACTOR to be an employee of COMPANY.

**10. Equitable Relief.** CONTRACTOR recognizes nothing herein is intended to limit any remedy of COMPANY under the Uniform Trade Secrets Act. In addition, CONTRACTOR recognizes the covenants contained in Sections 6, 7, 8 and 9 hereof are reasonable and necessary to protect the legitimate interests of COMPANY, that COMPANY would not have entered into this Agreement in the absence of such covenants, and that CONTRACTOR's violation or threatened violation of such covenants will cause COMPANY irreparable harm and significant injury, the amount of which may be extremely difficult to estimate, thus, making any remedy at law or in damages inadequate. CONTRACTOR further understands and agrees that any disclosure or misappropriation of any of the Confidential Information at any time in violation of this Agreement will cause COMPANY irreparable harm. Thus, CONTRACTOR understands and agrees that since monetary damages are not sufficient to avoid all harm and/or compensate for unauthorized use or disclosure of the Confidential Information, injunctive or other equitable relief is appropriate to prevent any improper actual or threatened use or disclosure of the Confidential Information or breach of this Agreement. Accordingly, CONTRACTOR consents to entry of an injunction, without posting of a bond, prohibiting any conduct by CONTRACTOR in violation of this Agreement. This right shall be in addition to any other remedy available to COMPANY in law or equity.

**11. Return of Company Property.** On termination of this Agreement, or at any time COMPANY so requests, CONTRACTOR will return to COMPANY (or destroy or delete such material if so instructed) all property belonging to COMPANY and all material containing or constituting Confidential Information, including any copies in my possession or control, whether prepared by CONTRACTOR or by others.

**12. Dispute Resolution.**

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**(a) Good Faith Negotiation.** The Parties (COMPANY and CONTRACTOR) agree that, before resorting to any formal dispute resolution process concerning any dispute arising from or in any way relating to this Agreement (a "Dispute"), they will first attempt to engage in good faith negotiations in an effort to find a solution that serves their respective and mutual interests, including their continuing business/professional relationship. Party-principals agree to participate directly in the negotiations. Unless otherwise agreed in writing, the Parties shall have five (5) business days from the date the questioning party gives Notice (defined below) of the particular issue to begin these negotiations and 15 business days from the Notice date to complete these negotiations concerning the Dispute.

**(b) Mediation.** If the negotiations do not take place within the time provided in "a" above, or if the negotiations do not conclude with a mutually agreed upon solution within that time frame (or its agreed upon extension), the Parties agree to mediate any Dispute. If the Parties cannot agree upon a mediator, each shall select one name from a list of mediators maintained by any bona fide dispute resolution provider or other private mediator; the two selected shall then choose a third person who will serve as mediator. The Parties agree to have the principals participate in the mediation process, including being present throughout the mediation session(s). The Parties shall have 45 calendar days within which to commence the first mediation session following the conclusion of their good faith negotiations or expiration of the time within which to negotiate (as stated in "a" above). The Parties agree that any mediated settlement agreement may be converted to an arbitration award or judgment (or both) and enforced according to the governing rules of civil procedure. The Parties further confirm their motivating purpose in selecting mediation is to find a solution that

serves their respective and mutual interests, including their continuing business/professional relationship.

**(c) Arbitration.** If the mediation provided for in "b" above does not conclude with an agreement between the Parties resolving the Dispute, the Parties agree to submit the Dispute to binding arbitration. If the Parties cannot agree on an arbitrator, the person who served as mediator shall select the person to serve as arbitrator from a list compiled by the Parties or, where the Parties do not compile a list, from a list maintained by a bona fide dispute resolution service provider or private arbitrator. The arbitrator's award prepared by the arbitrator shall be final, binding and may be converted to a judgment by a court of competent jurisdiction upon application by either party. The arbitrator's award shall be a written, reasoned opinion (unless the reasoned opinion is waived by the Parties). The Parties shall have ten (10) business days from the termination of the mediation to appoint the Arbitrator and shall complete the arbitration hearing within six (6) months from the termination of the mediation. The arbitrator shall have the authority to control and limit discovery sought by either party. The arbitrator shall have the same authority as a court of competent jurisdiction to grant equitable relief, and to issue interim measures of protection, including granting an injunction, upon the written request with notice to the other party and after opposition and opportunity to be heard. The arbitrator shall take into consideration the Parties' intent to limit the cost of and the time it takes to complete dispute resolution processes by agreeing to arbitrate any Dispute.

**(d) Costs.** The Parties agree to share the mediator's and arbitrator's fees equally. If the Dispute is arbitrated, the arbitrator may include in any award the right to recover mediator and arbitrator fees, along with any other recoverable costs.

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**(e) Attorney's Fees.** The prevailing party in any arbitration may, in the arbitrator's discretion, be entitled to an award of attorney's fees incurred in arbitrating the Dispute.

**(f) Notice of Dispute.** The Notice required under this section shall be in writing. It shall provide sufficient details of the Dispute to apprise the other party of the basis of the disputant's claims. The Notice should include the invitation to begin negotiation, and where unsuccessful, mediation. The date of delivery of the Notice shall be the triggering date upon which the time deadlines in this section will be calculated.

## 12. Miscellaneous.

**(a) Governing Law.** This contract will be governed by and construed in accordance with the laws of the [Insert State or Province Where Company is Incorporated], without giving effect to its choice of law rules.

**(b) Right to Injunction.** The parties hereto acknowledge that the services to be rendered by CONTRACTOR under this Agreement and the rights and privileges granted to COMPANY under the Agreement are of a special, unique, unusual, and extraordinary character which gives them a peculiar value, the loss of which cannot be reasonably or adequately compensated by damages in any action at law, and the breach by CONTRACTOR of any of the provisions of this Agreement will cause COMPANY irreparable injury and damage. CONTRACTOR expressly agrees that COMPANY shall be entitled to injunctive and other equitable relief in the event of, or to prevent, a breach of any provision of this Agreement by CONTRACTOR. Resort to such equitable relief, however, shall not be construed to be a waiver of any other rights or remedies that COMPANY may have for damages or otherwise. The various rights and remedies of COMPANY under this Agreement or otherwise shall be construed to be cumulative, and no one of them

shall be exclusive of any other or of any right or remedy allowed by law.

**(c) Attorney's Fees.** In the event either party to this Agreement shall institute any legal action, arbitration or other proceeding against the other to enforce the provisions of this Agreement or to declare rights and/or obligations under this Agreement, the prevailing party shall be entitled to recover from the other party its actual costs, including, without limitation, reasonable attorneys', paralegals' and other professionals' fees and costs. The phrase "prevailing party" shall include a party who receives substantially the relief desired, whether by settlement, dismissal, summary judgment, judgment or otherwise.

**(d) Severability; Waiver.** If any provision of this Agreement is deemed invalid, illegal or unenforceable, the validity or enforceability of other provisions shall not be affected. Failure to enforce any provision of this Agreement shall not constitute a waiver of any term.

**(e) Assignment.** Unless otherwise provided in this Agreement, CONTRACTOR may not assign, sell, transfer, delegate or otherwise dispose of, whether voluntarily or involuntarily, or by operation of law, any rights or obligations under this Agreement with the prior written consent of COMPANY. Any purported assignment, transfer, or delegation without such consent shall be void.

**(f) Amendment.** In circumstances where the services changes and/or new services arrangements are made, the terms and conditions as described by all other provisions of this Agreement will remain in full force and effect whether or not a new Agreement, addendum, or change order is executed by both parties. This Agreement may be modified only in a writing signed by Company.

**(g) Entire Agreement.** This Agreement sets forth the entire understanding between the parties with respect to the subject matter hereof, and there are no terms, conditions, representations, warranties or covenants other than those

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contained herein. This Agreement supersedes any previous agreements or understandings between the parties with respect to the subject matter hereof, whether written or oral.

CONTRACTOR \_\_\_\_\_ COMPANY \_\_\_\_\_



## ATTACHMENT 1

### INDEPENDENT CONTRACTOR INFORMATION FORM

In order to comply with the rules & regulations of the United States Federal Government and the State governing this Agreement, persons rendering services as Independent Contractors must meet the following criteria:

- 1) Engaged in a distinct occupation or business;
- 2) Perform services without direct supervision;
- 3) Provide tools & equipment for said services; and
- 4) Provide business license, and/or Federal I.D. number, or valid Social Security Number.

An Independent Contractor is required to report his/her annual income received (if over SIX HUNDRED AND 00/100 DOLLARS (\$600.00)) via a Form 1099. In order to comply with this regulation, please provide the following information:

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

PHONE NO: \_\_\_\_\_

FAX NO: \_\_\_\_\_

BUSINESS LICENSE NO: \_\_\_\_\_

FEDERAL TAX I.D. NO: \_\_\_\_\_

SOCIAL SECURITY NO: \_\_\_\_\_

I certify that the above is true and that I will promptly notify COMPANY, in writing, of any changes to the above, as set forth in that certain Independent Contractor Agreement, dated as of \_\_\_\_\_, [insert date] to which this is an attachment.

SIGNATURE:

\_\_\_\_\_

DATE: \_\_\_\_\_ [insert date]

CONTRACTOR \_\_\_\_\_ COMPANY \_\_\_\_\_