

STATE OF MINNESOTA

INDEPENDENT CONTRACTOR AGREEMENT

This Agreement is made effective as of the date of last signature below.

BETWEEN

Client Name: _____

Client Address: _____

Client City, State, ZIP: _____

AND

Contractor Name: _____

Contractor Address: _____

Contractor City, State, ZIP: _____

PARTIES

This Independent Contractor Agreement ("Agreement") is entered into by and between:

CLIENT: _____

Address: _____

City/State/ZIP: _____

Phone: _____

Email: _____

CONTRACTOR: _____

Business Name (if different): _____

Address: _____

City/State/ZIP: _____

Phone: _____

Email: _____

EIN/SSN (last 4): _____

Effective Date: _____

End Date: _____

RECITALS

WHEREAS, Client desires to engage Contractor to perform certain services as described in this Agreement and in Exhibit A (Scope of Work); and

WHEREAS, Contractor represents that Contractor is an independently established business or trade, possesses the skills, qualifications, and expertise necessary to perform the services, and desires to perform such services for Client on the terms set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1: SERVICES

1.1 Scope of Work. Contractor shall perform the services described in Exhibit A attached

hereto and incorporated by reference (the "Services"). Contractor shall perform the Services in a professional and workmanlike manner consistent with industry standards.

1.2 Deliverables. Contractor shall deliver to Client the deliverables described in Exhibit A (the "Deliverables") by the deadlines specified therein. If no deadline is specified, Contractor shall complete the Deliverables within a reasonable time.

1.3 Changes to Scope. Any changes to the scope of Services or Deliverables must be agreed to in writing by both parties. Changes may result in adjustments to the compensation and timeline set forth herein.

SECTION 2: COMPENSATION

2.1 Compensation. Client shall pay Contractor the compensation described in Exhibit A for the satisfactory performance of the Services. Unless otherwise stated in Exhibit A, Contractor shall invoice Client monthly for services rendered.

2.2 Invoicing and Payment. Contractor shall submit invoices detailing the Services performed and the amount due. Client shall pay each properly submitted invoice within thirty (30) days of receipt. Late payments shall accrue interest at the rate of 1.5% per month or the maximum rate permitted by law, whichever is less.

2.3 No Withholding. Client shall not withhold any federal, state, or local income taxes, Social Security taxes, Medicare taxes, unemployment insurance contributions, or other payroll taxes from payments to Contractor. Contractor is solely responsible for all such obligations.

2.4 Expenses. Contractor shall be responsible for all expenses incurred in performing the Services unless specific expense reimbursement is provided for in Exhibit A. Any reimbursable expenses must be pre-approved by Client in writing and supported by receipts.

SECTION 3: TERM AND TERMINATION

3.1 Term. This Agreement shall commence on the Effective Date and shall continue until the earlier of: (a) the completion of all Services; (b) the End Date specified above; or (c) termination as provided in this Section 3.

3.2 Termination for Convenience. Either party may terminate this Agreement at any time upon thirty (30) days' prior written notice to the other party. In the event of such termination, Client shall pay Contractor for all Services satisfactorily performed and all approved expenses incurred through the date of termination.

3.3 Termination for Cause. Either party may terminate this Agreement immediately upon written notice if the other party: (a) materially breaches this Agreement and fails to cure such breach within fifteen (15) days after receiving written notice thereof; (b) becomes

insolvent, files for bankruptcy, or has a receiver appointed for its assets; or (c) engages in fraud, gross negligence, or willful misconduct.

3.4 Effect of Termination. Upon termination, Contractor shall promptly deliver to Client all completed and in-progress Deliverables, return all Client materials, and provide a final invoice for Services rendered through the termination date. Sections 6 through 12 shall survive termination of this Agreement.

SECTION 4: INDEPENDENT CONTRACTOR STATUS

4.1 Independent Contractor Status. Contractor is an independent contractor and not an employee, agent, partner, or joint venturer of Client. Nothing in this Agreement shall be construed to create an employer-employee relationship. Contractor's classification is consistent with the common law test applied under Minn. Stat. § 181.722, subd. 3.

4.2 Control. Contractor shall determine the method, details, and means of performing the Services. Client may provide general direction regarding the desired results but shall not control the manner in which Contractor performs the Services. Contractor is free to set Contractor's own hours and work schedule.

4.3 No Employee Benefits. Contractor shall not be entitled to any employee benefits from Client, including but not limited to health insurance, retirement plans, paid time off, workers' compensation coverage, or unemployment insurance benefits.

4.4 Tools and Equipment. Contractor shall furnish, at Contractor's own expense, all tools, equipment, materials, and supplies necessary to perform the Services, unless otherwise specified in Exhibit A.

4.5 Other Clients. Contractor retains the right to perform services for other clients during the term of this Agreement, subject to the confidentiality and non-solicitation obligations set forth herein.

4.6 Subcontractors. Contractor may engage subcontractors or assistants to perform portions of the Services, provided that Contractor remains fully responsible for the performance of the Services and compliance with this Agreement. Contractor shall ensure that any subcontractor is bound by confidentiality obligations no less restrictive than those in Section 7.

SECTION 5: INSURANCE

5.1 Required Insurance. Contractor shall obtain and maintain, at Contractor's sole expense, the following insurance coverage during the term of this Agreement:

(a) Commercial General Liability insurance with limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate;

(b) Professional Liability (Errors and Omissions) insurance, if applicable to the Services, with limits of not less than \$1,000,000 per claim;

(c) Workers' Compensation insurance as required by Minnesota law if Contractor has any employees; and

(d) Commercial Automobile Liability insurance if Contractor uses a vehicle in performing the Services.

5.2 Proof of Insurance. Upon Client's request, Contractor shall provide certificates of insurance evidencing the coverages required by this Section. Contractor shall provide Client with thirty (30) days' prior written notice of any cancellation or material change in coverage.

SECTION 6: INTELLECTUAL PROPERTY

6.1 Work Product. All work product, deliverables, inventions, discoveries, designs, documents, reports, data, and other materials created by Contractor in the course of performing the Services (collectively, "Work Product") shall be the sole and exclusive property of Client.

6.2 Assignment of Rights. To the extent that any Work Product qualifies as a "work made for hire" under 17 U.S.C. § 101, it shall be deemed a work made for hire. To the extent any Work Product does not qualify as a work made for hire, Contractor hereby irrevocably assigns to Client all right, title, and interest in and to the Work Product, including all copyrights, patent rights, trade secret rights, and other intellectual property rights therein.

6.3 Further Assurances. Contractor agrees to execute all documents and take all actions reasonably requested by Client to perfect, register, or enforce Client's rights in the Work Product.

6.4 Pre-Existing IP. Contractor retains all rights in any intellectual property that Contractor owned prior to this Agreement or developed independently outside the scope of the Services ("Pre-Existing IP"). If Contractor incorporates any Pre-Existing IP into the Work Product, Contractor hereby grants Client a non-exclusive, perpetual, irrevocable, royalty-free, worldwide license to use, modify, and sublicense such Pre-Existing IP as part of the Work Product. Contractor shall identify all Pre-Existing IP in Exhibit A.

SECTION 7: CONFIDENTIALITY

7.1 Confidential Information. During the term of this Agreement and for a period of two (2) years thereafter, each party (the "Receiving Party") shall hold in confidence all non-public information disclosed by the other party (the "Disclosing Party") that is designated as confidential or that a reasonable person would understand to be confidential given the nature of the information and circumstances of disclosure ("Confidential Information").

7.2 Permitted Use. The Receiving Party shall use Confidential Information solely for the purposes of performing or receiving the Services under this Agreement and shall not disclose it to any third party without the Disclosing Party's prior written consent, except to the Receiving Party's employees, agents, or subcontractors who need to know such information and are bound by confidentiality obligations no less restrictive than those herein.

7.3 Exclusions. Confidential Information does not include information that: (a) is or becomes publicly available through no fault of the Receiving Party; (b) was known to the Receiving Party prior to disclosure; (c) is independently developed by the Receiving Party without use of the Confidential Information; or (d) is rightfully received from a third party without restriction.

7.4 Trade Secrets. Notwithstanding the two-year limitation in Section 7.1, the parties' obligations with respect to information qualifying as a "trade secret" under the Minnesota Uniform Trade Secrets Act, Minn. Stat. §§ 325C.01-.07, shall continue for as long as such information remains a trade secret.

7.5 Return of Materials. Upon termination of this Agreement or upon the Disclosing Party's request, the Receiving Party shall promptly return or destroy all Confidential Information and certify in writing that it has done so.

SECTION 8: NON-SOLICITATION

8.1 Non-Solicitation. During the term of this Agreement and for a period of twelve (12) months after termination, Contractor shall not, directly or indirectly, solicit or attempt to solicit any employee of Client to leave Client's employment or any customer of Client for the purpose of providing services substantially similar to the Services.

8.2 No Non-Compete. The parties acknowledge that under Minn. Stat. § 181.988 (effective July 1, 2023), non-compete agreements are void and unenforceable in Minnesota, including those applied to independent contractors. This Agreement does not contain a non-compete provision. Nothing in this Agreement shall be construed to restrict Contractor from engaging in any lawful business or providing services to any other person or entity.

SECTION 9: INDEMNIFICATION

9.1 Indemnification by Contractor. Contractor shall defend, indemnify, and hold harmless Client and its officers, directors, employees, and agents from and against any and all claims, damages, losses, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to: (a) Contractor's negligent or wrongful acts or omissions in performing the Services; (b) Contractor's breach of this Agreement; (c) any claim that the Work Product infringes any third party's intellectual property rights; or (d) Contractor's failure to comply

with applicable laws.

9.2 Indemnification by Client. Client shall defend, indemnify, and hold harmless Contractor from and against any and all claims, damages, losses, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to: (a) Client's negligent or wrongful acts or omissions; (b) Client's breach of this Agreement; or (c) Client's use of the Work Product in a manner not contemplated by this Agreement.

9.3 Limitation of Liability. EXCEPT FOR INDEMNIFICATION OBLIGATIONS UNDER THIS SECTION 9 AND BREACHES OF SECTION 7 (CONFIDENTIALITY), NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, REGARDLESS OF THE CAUSE OF ACTION OR THEORY OF LIABILITY, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

SECTION 10: TAX OBLIGATIONS

10.1 Tax Obligations. Contractor acknowledges and agrees that Contractor is solely responsible for all federal, state, and local taxes arising from compensation received under this Agreement, including but not limited to federal and state income taxes and self-employment taxes (Social Security and Medicare).

10.2 Form 1099-NEC. Client will report payments to Contractor of \$600 or more on IRS Form 1099-NEC as required by law. Client will not issue a Form W-2 to Contractor.

10.3 Form W-9. Contractor shall provide a completed IRS Form W-9 (Request for Taxpayer Identification Number and Certification) to Client prior to commencing Services. Contractor shall promptly notify Client of any changes to the information provided on the W-9.

10.4 No Tax Obligations of Client. Client shall have no obligation to pay or withhold any taxes on behalf of Contractor. If any governmental authority determines that Contractor should have been classified as an employee, Contractor shall indemnify Client for any resulting taxes, penalties, and interest.

SECTION 11: DISPUTE RESOLUTION

11.1 Mediation. In the event of any dispute arising out of or relating to this Agreement, the parties agree to first attempt to resolve the dispute through good-faith mediation administered by a mutually agreed upon mediator in the State of Minnesota. The costs of mediation shall be shared equally by the parties.

11.2 Litigation. If mediation is unsuccessful or if either party fails to participate in mediation within thirty (30) days of a written request to mediate, either party may pursue its

remedies in the state or federal courts located in the State of Minnesota. Each party irrevocably consents to the personal jurisdiction and venue of such courts.

11.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, without regard to its conflict of laws principles. As required by Minn. Stat. § 181.988, subd. 3, Minnesota law shall govern the enforceability of any restrictive covenants in this Agreement.

11.4 Attorneys' Fees. In any action or proceeding to enforce this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party.

SECTION 12: GENERAL PROVISIONS

12.1 Entire Agreement. This Agreement, together with all exhibits attached hereto, constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all prior agreements, understandings, representations, and warranties, whether written or oral.

12.2 Amendments. This Agreement may not be amended or modified except by a written instrument signed by both parties.

12.3 Severability. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the remaining provisions shall continue in full force and effect. The invalid provision shall be modified to the minimum extent necessary to make it valid and enforceable while preserving the parties' original intent.

12.4 Waiver. No waiver of any provision of this Agreement shall be effective unless made in writing. No failure or delay by either party in exercising any right shall constitute a waiver of that right.

12.5 Notices. All notices under this Agreement shall be in writing and shall be deemed given when delivered personally, sent by certified mail (return receipt requested), or sent by nationally recognized overnight courier to the addresses set forth above. Either party may change its address for notices by providing written notice to the other party.

12.6 Assignment. Contractor may not assign or transfer this Agreement or any rights or obligations hereunder without Client's prior written consent. Client may assign this Agreement to any successor or affiliate without Contractor's consent. This Agreement shall be binding upon and inure to the benefit of the parties and their permitted successors and assigns.

12.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Electronic signatures shall have the same legal effect as original signatures.

12.8 Headings. The headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

12.9 Construction. This Agreement shall not be construed more strictly against either party regardless of which party drafted it. Both parties have had the opportunity to review this Agreement with legal counsel.

SIGNATURES

IN WITNESS WHEREOF, the parties have executed this Independent Contractor Agreement as of the date last signed below.

CLIENT:

Authorized Signature

Printed Name: _____

Date: _____

Title: _____

CONTRACTOR:

Authorized Signature

Printed Name: _____

Date: _____

Title: _____

EXHIBIT A

SCOPE OF WORK

This Exhibit A is attached to and incorporated into the Independent Contractor Agreement between the parties identified therein.

A.1 Description of Services

Describe the services to be performed in detail:

A.2 Deliverables

List specific deliverables and acceptance criteria:

A.3 Schedule and Deadlines

Project milestones, deadlines, and key dates:

A.4 Compensation

Payment Structure:

- Fixed Fee: \$ _____ for all Services
- Hourly Rate: \$ _____ per hour (estimated _____ hours)
- Milestone-Based: See payment schedule below
- Other: _____

Payment schedule / milestone payments (if applicable):

A.5 Reimbursable Expenses

Pre-approved reimbursable expenses (if any):

A.6 Pre-Existing Intellectual Property

Contractor's pre-existing IP to be incorporated (if any):

A.7 Client-Provided Materials

Materials, access, or resources Client will provide (if any):

A.8 Special Terms

Additional terms specific to this engagement:

DISCLAIMER: This template is provided for informational purposes only and does not constitute legal advice. MinnesotaLawyer.com is a free public law library, not a law firm. Use of this template does not create an attorney-client relationship. Laws change frequently. For advice about your specific situation, consult a licensed Minnesota attorney. Free legal help may be available -- visit minnesotalawyer.com/legal-aid for resources.