

State of \_\_\_\_\_

## **SOUTH DAKOTA INDEPENDENT CONTRACTOR AGREEMENT**

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This Independent Contractor Agreement (this "Agreement") is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, (the "Effective Date") by and between:

**Company:** \_\_\_\_\_ located at \_\_\_\_\_ [Address] ("Client") and

**Contractor:** \_\_\_\_\_ located at \_\_\_\_\_ [Address] ("Independent Contractor").

Client and Independent Contractor may each be referred to in this Agreement as a "Party" and collectively as the "Parties."

**1. Services.** Independent Contractor shall provide the following services to Client (the "Services"):

\_\_\_\_\_

In addition, Independent Contractor shall perform such other duties and tasks, or changes to the Services, as may be agreed upon by the Parties.

**2. Compensation.** Inconsideration for Independent Contractor's performance of the Services, Client shall pay Independent Contractor: (Check one)

- A Periodic Fixed Wage. Client shall pay Independent Contractor \$\_\_\_\_\_ (Check one)  per hour  per week  per month  per year  other: \_\_\_\_\_. Independent Contractor will be paid: (Check one)
- Every week. Independent Contractor will be paid on \_\_\_\_\_ [Day of the week] of every week.
  - Every month. Independent Contractor will be paid on the \_\_\_\_\_ [Day of the month] of every month.
  - After Independent Contractor sends an invoice. Independent Contractor will be paid within \_\_\_\_\_ days after receiving Independent Contractor's invoice. Independent Contractor will submit invoices for payment (Check one)  at the end of every week  on the \_\_\_\_\_ of every month  within \_\_\_\_\_ days after completion of the Services  other: \_\_\_\_\_.
  - Other: \_\_\_\_\_

- A Set Fee. Client shall pay Independent Contractor \$\_\_\_\_\_: (Check one)
- After the Independent Contractor completes the services.
  - Within \_\_\_\_\_ days after receiving Independent Contractor's invoice. Independent Contractor will submit invoices for payment (Check one)  at the end of every week  on the



\_\_\_\_\_ of every month  within \_\_\_\_\_ days after the completion of the Services other: \_\_\_\_\_.  
 Other: \_\_\_\_\_

After Completing Certain Milestones. Client shall pay Independent Contractor according to the following schedule:

- \$ \_\_\_\_\_ for \_\_\_\_\_ [Milestone description]
- \$ \_\_\_\_\_ for \_\_\_\_\_ [Milestone description]

Independent Contractor will be paid: (Check one)

- After the completion of each milestone.  
 Within \_\_\_\_\_ days after receiving Independent Contractor's invoice. Independent Contractor will submit invoices for payment (Check one)  at the end of every week  on the \_\_\_\_\_ of the month  within \_\_\_\_\_ days after completion of the Services  other: \_\_\_\_\_.

Other: \_\_\_\_\_

### 3. Expenses. (Check one)

- Independent Contractor will be reimbursed. Except as otherwise specified in this Agreement, Client shall reimburse Independent Contractor for all pre-approved, reasonable and necessary costs and expenses incurred in connection with the performance of the Services.
- Independent Contractor will NOT be reimbursed. All costs and expenses incurred by Independent Contractor in connection with the performance of the Services shall be the sole responsibility of and paid by Independent Contractor.

**4. Term and Termination.** Independent Contractor's engagement with Client under this Agreement shall commence on \_\_\_\_\_, 20\_\_\_\_.

Termination (Check one)

- After all of the Services are completed. The Parties agree and acknowledge that this Agreement and Independent Contractor's engagement with Client under this Agreement shall terminate upon the completion by Independent Contractor of the Services.
- After a fixed period of time. The Parties agree and acknowledge that this Agreement and Independent Contractor's engagement with Client under this Agreement shall terminate after (Check one)  
 \_\_\_\_\_ days  \_\_\_\_\_ months  other: \_\_\_\_\_.
- On a specific date. The Parties agree and acknowledge that this Agreement and Independent Contractor's engagement with Client under this Agreement shall terminate on \_\_\_\_\_, 20\_\_\_\_.
- At will. Independent Contractor acknowledges and agrees that the engagement with Client is at will, subject to being terminated at the discretion of Client at any time, (Check one)  without prior notice  upon \_\_\_\_\_ days prior written notice to Independent Contractor. In addition, this Agreement may be terminated by Independent Contractor upon \_\_\_\_\_ days prior written notice to Client.



At the time of termination, Independent Contractor agrees to return all Client property used in performance of the Services, including but not limited to computers, cell phones, keys, reports and other equipment and documents. Independent Contractor shall reimburse Client for any Client property lost or damaged in an amount equal to the market price of such property.

**5. Independent Contractor.** The Parties agree and acknowledge that Independent Contractor is an independent contractor and is not, for any purpose, an employee of Client. Independent Contractor does not have any authority to enter into agreements or contracts on behalf of Client, and shall not represent that it possesses any such authority. Independent Contractor shall not be entitled to any of Client's benefits, including, but not limited to, coverage under medical, dental, retirement or other plans. Client shall not be obligated to pay worker's compensation insurance, unemployment compensation, social security tax, withholding tax or other taxes or withholdings for or on behalf of the Independent Contractor in connection with the performance of the Services under this Agreement. Nothing contained in this Agreement shall be deemed or construed by the Parties to create the relationship of a partnership, a joint venture or any other fiduciary relationship.

**6. Confidentiality.** (Check one)

Independent Contractor will NOT be exposed to confidential information.

Independent Contractor will be exposed to confidential information.

**a. Confidential and Proprietary Information.** In the course of performing the Services, Independent Contractor will be exposed to confidential and proprietary information of Client. "Confidential Information" shall mean any data or information that is competitively sensitive material and not generally known to the public, including, but not limited to, information relating to development and plans, marketing strategies, finance, operations, systems, proprietary concepts, documentation, reports, data, specifications, computer software, source code, object code, flow charts, data, databases, inventions, know-how, trade secrets, customer lists, customer relationships, customer profiles, supplier lists, supplier relationships, supplier profiles, pricing, sales estimates, business plans and internal performance results relating to the past, present or future business activities, technical information, designs, processes, procedures, formulas or improvements, which Client considers confidential and proprietary. Independent Contractor acknowledges and agrees that the Confidential Information is valuable property of Client, developed over a long period of time at substantial expense and that it is worthy of protection.

**b. Confidentiality Obligations.** Except as otherwise expressly permitted in this Agreement, Independent Contractor shall not disclose or use in any manner, directly or indirectly, any Confidential Information either during the term of this Agreement or at any time thereafter, except as required to perform the Services or with Client's prior written consent.

**c. Rights in Confidential Information.** All Confidential Information disclosed to Independent Contractor by Client (i) is and shall remain the sole and exclusive property of Client, and (ii) is disclosed or permitted to be acquired by Independent Contractor solely in reliance on Independent Contractor's agreement to maintain the Confidential Information in confidence and not to use or



disclose the Confidential Information to any other person. Except as expressly provided herein, this Agreement does not confer any right, license, ownership or other interest in or title to the Confidential Information to Independent Contractor.

**d. Irreparable Harm.** Independent Contractor acknowledges that use or disclosure of any Confidential Information in a manner inconsistent with this Agreement will give rise to irreparable injury for which damages would not be an adequate remedy. Accordingly, in addition to any other legal remedies which may be available at law or in equity, Client shall be entitled to equitable or injunctive relief against the unauthorized use or disclosure of Confidential Information. Client shall be entitled to pursue any other legally permissible remedy available as a result of such breach, including but not limited to, damages, both direct and consequential. In any action brought by Client under this Section, Client shall be entitled to recover its attorney's fees and costs from Independent Contractor.

**7. Ownership of Work Product.** (Check one)

Client has ownership. The Parties agree that all work product, information or other materials created and developed by Independent Contractor in connection with the performance of the Services under this Agreement and any resulting intellectual property rights (collectively, the "Work Product") are the sole and exclusive property of Client. The Parties acknowledge that the Work Product shall, to the extent permitted by law, be considered a "work made for hire" within the definition of Section 101 of the Copyright Act of 1976, as amended, (the "Copyright Act") and that Client is deemed to be the author and is the owner of all copyright and all other rights therein. If the work product is not deemed to be a "work made for hire" under the Copyright Act, then Independent Contractor hereby assigns to Client all of Independent Contractor's rights, title and interest in and to the Work Product, including but not limited to all copyrights, publishing rights and rights to use, reproduce and otherwise exploit the Work Product in any and all formats, media, or all channels, whether now known or hereafter created.

Independent Contractor has ownership. The Parties agree that all work product, information or other materials created and developed by Independent Contractor in connection with the performance of the Services under this Agreement and any resulting intellectual property rights (collectively, the "Work Product") are the sole and exclusive property of Independent Contractor. Independent Contractor grants to Client a limited, non-exclusive license to use the Work Product. The Work Product is to be used only by Client, and Client may not assign, transfer, lease or sublicense any Work Product to any person or entity without Independent Contractor's prior written consent.

**8. Insurance.** (Check one)

For the term of this Agreement, Independent Contractor shall obtain and maintain a policy of insurance, with appropriate and adequate coverage and limits, to cover any claims for bodily injury, property damage or other losses which might arise out of any negligent act or omission committed by Independent Contractor or Independent Contractor's employees or agents, if any, in connection with the performance of the Services under this Agreement.

For the term of this Agreement, Independent Contractor is NOT required to obtain and maintain a policy of insurance for injuries or damages.



**9. Non-Compete.** (INITIAL if you want to include this clause. CROSS OUT if you do not.)

\_\_\_\_\_ Independent Contractor agrees and covenants that during the term of this Agreement, and for a period of \_\_\_\_\_ months following the termination of this Agreement, Independent Contractor will not, directly or indirectly, perform or engage in the same or similar activities as were performed for Client for any business that is directly or indirectly in competition with Client.

**10. Non-Solicit.** (INITIAL if you want to include this clause. CROSS OUT if you do not.)

\_\_\_\_\_ Independent Contractor agrees and covenants that for a period of \_\_\_\_\_ months following the termination of this Agreement, Independent Contractor will not, directly or indirectly, solicit any officer, director or employee, or any customer, client, supplier or vendor of Client for the purpose of inducing such party to terminate its relationship with Client in favor of Independent Contractor or another business directly or indirectly in competition with Client.

**11. Mutual Representations and Warranties.** Both Client and Independent Contractor represent and warrant that each Party has full power, authority and right to execute and deliver this Agreement, has full power and authority to perform its obligations under this Agreement, and has taken all necessary action to authorize the execution and delivery of this Agreement. No other consents are necessary to enter into or perform this Agreement.

**12. Independent Contractor Representation and Warranties.** Independent Contractor represents and warrants that it has all the necessary licenses, permits and registrations, if any, required to perform the Services under this Agreement in accordance with applicable federal, state and local laws, rules and regulations and that it will perform the Services according to the Client's guidelines and specifications and with the standard of care prevailing in the industry.

**13. Indemnification.** (INITIAL if you want to include this clause. CROSS OUT if you do not.)

\_\_\_\_\_ The Independent Contractor shall indemnify and hold harmless Client from any damages, claims, liabilities, loss and expenses, including reasonable attorney's fees, arising out of any act or omission of Independent Contractor in performing the Services or the breach of any provision of this Agreement by Independent Contractor.

**14. Governing Law.** The terms of this Agreement and the rights of the Parties hereto shall be governed exclusively by the laws of the State of \_\_\_\_\_, without regarding its conflicts of law provisions.



**15. Disputes.** Any dispute arising from this Agreement shall be resolved through: (Check one)

- Court litigation. Disputes shall be resolved in the courts of the State of \_\_\_\_\_.
  - If either Party brings legal action to enforce its rights under this Agreement, the prevailing party will be entitled to recover from the other Party its expenses (including reasonable attorneys' fees and costs) incurred in connection with the action and any appeal.
  
- Binding arbitration. Binding arbitration shall be conducted in accordance with the rules of the American Arbitration Association.
  
- Mediation.
  
- Mediation, then binding arbitration. If the dispute cannot be resolved through mediation, then the dispute will be resolved through binding arbitration conducted in accordance with the rules of the American Arbitration Association.

**16. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

**17. Assignment.** The interests of Independent Contractor are personal to Independent Contractor and cannot be assigned, transferred or sold without the prior written consent of Client.

**18. Entire Agreement.** This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof, and supersedes all prior negotiations, understandings and agreements of the Parties.

**19. Amendments.** No supplement, modification or amendment of this Agreement will be binding unless executed in writing by both of the Parties.

**20. Notices.** Any notice or other communication given or made to either Party under this Agreement shall be in writing and delivered by hand, sent by overnight courier service or sent by certified or registered mail, return receipt requested, to the address stated above or to another address as that Party may subsequently designate by notice, and shall be deemed given on the date of delivery.

**21. Waiver.** Neither Party shall be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly and in writing. Waiver by either Party of a breach or violation of any provision of this Agreement shall not constitute a waiver of any subsequent or other breach or violation.

**22. Further Assurances.** At the request of one Party, the other Party shall execute and deliver such other documents and take such other actions as may be reasonably necessary to effect the terms of this Agreement.



**23. Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid, legal and enforceable as though the invalid, illegal or unenforceable parts had not been included in this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date first written above.

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**Client** Signature

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**Client** Full Name

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**Independent Contractor** Signature

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**Independent Contractor** Full Name

