

## INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement ("Agreement") is entered into effective as of the \_\_\_\_ day of \_\_\_\_\_ ("Effective Date") between \_\_\_\_\_, an Arizona Sole-proprietor, whose address is \_\_\_\_\_ ("Company"), and, whose address is \_\_\_\_\_ ("Independent Contractor"). The Company and Independent Contractor shall sometimes be referred to herein as the "Parties".

### Recitals:

- A. Company is in the business of providing \_\_\_\_\_, among other things, to its clients in Arizona ("Business");
- B. Company desires to obtain the services of Independent Contractor for purposes of providing accounting services to its clients: and
- C. Independent Contractor has experience and expertise in providing those services in a competent, cost-effective, and professional manner.

### Agreements:

NOW THEREFORE. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Retention of Contractor. Company hereby retains the services of Independent Contractor, and Independent Contractor hereby accepts the terms of this Agreement and agrees to provide services to Company and its clients and customers, all pursuant to the terms and conditions contained in this Agreement.
2. **TERM.** THIS AGREEMENT IS ENTERED INTO "AT WILL" AND MAY BE TERMINATED BY EITHER COMPANY OR INDEPENDENT CONTRACTOR AT ANY TIME AND WITHOUT CAUSE BY WRITTEN NOTICE GIVEN TO THE OTHER PARTY, WHICH NOTICE MAY BE EFFECTIVE IMMEDIATELY. THE TERMINATION OF THIS AGREEMENT SHALL NOT AFFECT THE RIGHTS OF THE: PARTIES TO ANY PAYMENTS, WHICH ACCRUE PRIOR TO SUCH TERMINATION. EXCEPT AS STIPULATED HEREUNDER.
3. Independent Contractor Status. Independent Contractor is retained by Company only for the purposes and to the extent set forth in the Agreement and its relationship to Company shall be that of an independent contractor. Independent Contractor has absolutely no ownership interest in Company. Subject to the restrictions of this Agreement, Independent Contractor shall be free to dispose of such portion of its entire time, energy, and skill during regular business hours as it sees fit. This Agreement does not create a partnership or joint venture, and neither party shall be liable for any obligation incurred by the other, except as provided hereunder. Independent Contractor shall not be considered as having employee status or as being entitled to participate in any plans, arrangements, or distributions by Company pertaining to or in connection with any pension, stock, bonus, profit-sharing, or similar benefits for its employees. Independent Contractor will not be treated as an employee for federal tax purposes. Company is not required to secure worker's compensation insurance and is not required to contribute to the state unemployment compensation fund on behalf of Independent Contractor. Independent Contractor shall pay for all of its license fees, membership dues, medical insurance, life insurance, personal insurance, and any other personal or professional costs or expenses, except as may be provided under the policies and procedures adopted by the Company as described in paragraph 9.
4. General Duties and Obligations of Independent Contractor. Independent Contractor shall perform the duties and responsibilities contemplated by this Agreement with the

care, skill, and diligence that is reasonably expected of an employee of Company in Independent Contractor's position. Company shall rely on the accuracy, completeness and competence of Independent Contractor's commitments to Company's clients. Independent Contractor shall perform the services contemplated under this Agreement in a manner that will increase goodwill, reputation, and business of Company, and Independent Contractor shall do nothing to disturb, discredit, or devalue Company or Company's goodwill and business.

5. Specific Duties of Independent Contractor. Independent Contractor shall:
  - a. Diligently provide accounting services and shall perform such other services as are commonly performed by an employee with the Company in a similar position. All exclusively on behalf of and for the benefit of Company, subject to Paragraph 9 below: and
  - h. Pay for all of its business entertainment expenses, license fees, membership dues, medical insurance, life insurance, personal insurance, and any other professional business costs or expenses.
6. Payment of Independent Contractor. The Parties agree that Independent Contractor shall bill out its time at an hourly rate of \$\_\_\_\_\_per hour. The Company shall be responsible for all billing and collection of such accounting fees. Independent Contractor shall provide a bill for its accounting services rendered for Company's clients to Company for Independent Contractor's previous period's work no later than the 15th and the last day of the month. Company shall pay Independent Contractor for such work upon receipt of Independent Contractor's monthly bill. A commission based on \_\_\_\_% of previous month's billing for said new client will be paid for all new business brought to company through the efforts of Independent Contractor for the first six months after new client has started using Company.
7. Good Faith Negotiation; Attorney's Fees. The Parties will attempt to resolve any controversy relating to this Agreement by negotiation. If the matter has not been resolved by negotiation within sixty (60) day's of commencement of negotiation, the Parties shall utilize a mutually agreeable alternative dispute procedure to resolve the dispute, other than a court procedure. In any such procedure, the prevailing party shall be entitled to payment of its reasonable attorney's fees and costs.
8. Duties and Obligations of Company. During the term of this Agreement and any extensions thereof, Company shall provide Independent Contractor with services and support in accordance with Company's standard policies and procedures.
9. Policies and Procedures. Independent Contractor shall comply with all written policies and procedures established by Company.
10. Expenses. Independent Contractor shall be responsible for all expenses incurred in connection with the performance of its duties under this Agreement. Except as may be provided under any policies and procedures adopted by Company as described in Paragraph 9. Independent Contractor shall reimburse Company for any expenses advanced by Company to Independent Contractor, which are the responsibility of Independent Contractor.
11. Customer-Client Disputes and Litigation in General. Independent Contractor may not file a lawsuit relating to any matter covered or contemplated by this Agreement without the prior written consent of Company. Independent Contractor shall cooperate with Company with respect to any litigated or disputed matter. Company shall determine whether or not any dispute shall be prosecuted, defended, compromised, or settled, and whether legal counsel shall be retained and legal expenses incurred in conjunction therewith. Company shall have the right to select such legal counsel. If Independent Contractor wishes to be advised or

represented by independent legal counsel with respect to any matter covered by this Agreement or any dispute arising from such matter, Independent Contractor shall bear the entire cost of such advice or representation.

12. Correspondence, Records, and Forms. Independent Contractor agrees that any and all actions taken under the authority of this Agreement shall be taken by Independent Contractor in Company's name. Unless otherwise agreed to in writing by the Parties. Independent Contractor also agrees that all clients that it performs work for on behalf of Company are Company's clients. All files, correspondence written or received, memoranda, photographs, reports, instruments, documents, or any other information of any nature whatsoever concerning any matter handled by Company or Independent Contractor for one of Company's clients are the property of Company. All such property obtained by independent Contractor in the course of handling a matter is the property of Company and shall remain the property of Company upon the termination of this Agreement. The Parties shall mutually approve and agree upon all correspondence issuing from the office of Company pertaining to matters handled by Independent Contractor. Company shall approve any forms to be used in conjunction with any matter before such form is presented to the client for his or her signature.
13. Taxes and Benefits. Independent Contractor shall be solely responsible for the payment of his or her federal and state income taxes and any self-employment taxes and Company shall not withhold or pay any such taxes to any person or entity. Independent Contractor shall not be entitled to receive retirement benefits, fringe benefits, or any other benefits to which the employees of Company are entitled.
14. Proprietary Rights. Independent Contractor has no right, title, or interest to any system, procedure, mark, name, or other matter relating to Company or Company's business, and Independent Contractor shall not contest the validity of any such system, procedure, mark, or name. Independent Contractor shall not use any "proprietary information" for his or her own benefit except in connection with services performed hereunder. For purposes of this Agreement, "proprietary information includes but is not limited to: any lists or other materials identifying the customers or clients of Company: any financial or other information supplied by the customers or clients of Company: any data or information involving techniques, programs, methods, or contacts employed by Company in the conduct of Company's business: any lists, files, documents, manuals, records, forms, maps, computer software programs, or other materials used by Company in the conduct of Company's business: any descriptive materials describing the methods and procedures employed by Company in the conduct of Company's business: and other secret, confidential, or financial information concerning Company's business or affairs. "Proprietary information" also includes the property described in Paragraph 12. Any additions to or modifications by Independent Contractor of any proprietary information described in this paragraph and in Paragraph 12 are also Company's "proprietary information".
15. Termination. If this Agreement is terminated pursuant to Paragraph 2 ("Term"), the following rules shall apply:
  - a. Independent Contractor shall deliver all "proprietary information" (as defined in Paragraph 14) in its possession or subject to his or her control to Company or Company's designated representative.
  - b. Independent Contractor shall be entitled to receive payments pursuant to Paragraph 6 on all matters completed prior to the date upon which this Agreement is terminated.
  - c. Independent Contractor may not contact Company's current clients for **one year** after agreement has been terminated.

16. Personal Performance. Unless otherwise agreed to in writing by the Parties, all duties and obligations imposed upon Independent Contractor under this Agreement shall be personally performed by Independent Contractor, and no such duties may be performed by any other person without the prior written consent of Company.
17. Assignment. This Agreement may not be assigned in whole or in part by either party without the other party's prior written consent.
18. Waiver of Breach. The waiver by Company of a breach of any provision of this Agreement by Independent Contractor shall not operate or be construed as a waiver of any subsequent breach by Independent Contractor.
19. Severability. Independent Contractor shall not construe the invalidity or unenforceability of any provision of this Agreement by Independent Contractor as a waiver of any subsequent breach.
20. Amendments and Governing Law. This Agreement contains the entire agreement of the Parties. Any modification of this Agreement must be set forth-in writing signed by the Parties. The laws of the State of Arizona govern this Agreement.
21. Benefits and Burdens. The covenants and agreements set forth in this Agreement shall insure the benefit of and be binding upon the Parties hereto, and also their executors, administrators, personal representatives, heirs, successors, and assigns.

In witness whereof the Parties hereto entered into this Agreement as of the effective date first set forth above.

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Company

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Independent Contractor