

INDEPENDENT CONTRACTOR SERVICES AGREEMENT

THIS INDEPENDENT CONTRACTOR SERVICES AGREEMENT (“Agreement”) is made and entered into the most recent day and year set forth below by and between LA PLATA ARCHULETA WATER DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, whose mailing address is 954 East Second Avenue, Suite 202, Durango, Colorado 81301, hereinafter referred to as the “Principal,” and ANNSWORD, LLC, a Colorado Limited Liability Company, whose mailing address is P.O. Box 285, Bayfield, Colorado, 81122, hereinafter referred to as “Contractor”.

WITNESSETH:

In consideration of the mutual covenants and obligations herein expressed, it is agreed by and between the parties hereto as follows:

- 1. Scope of Services.** The Contractor agrees to provide services related to the scope of services attached hereto as Exhibit A and incorporated herein by this reference, and hereinafter referred to as the “Scope of Services”. All provisions of the Scope of Services, including without limitation any terms and conditions included therein, shall be subject to the provisions of this Agreement. In the event of any inconsistency between the provisions of this Agreement and the Scope of Services, the provisions contained within this Agreement shall control.
- 2. Time of Commencement and Completion of Services.** The services to be performed pursuant to this Agreement shall be initiated February 10, 2011. Services shall be completed no later than December 31, 2011. Any extensions of the time limit set forth above must be agreed upon in writing by the parties hereto. Compensation will be made for work agreed upon prior to the execution of the agreement as described herein.
- 3. Early Termination by Principal.** Notwithstanding the time periods contained herein, the Principal may terminate this Agreement at any time without cause by providing written notice of termination to the Contractor. Such notice shall be delivered at least three (3) days prior to the termination date contained in said notice unless otherwise agreed in writing by the parties. In the event of any such early termination by the Principal, the Contractor shall be paid for services rendered prior to the date of termination, subject only to the satisfactory performance of the Contractor’s obligations under this Agreement. Such payment shall be the Contractor’s sole right and remedy for such termination.
- 4. Compensation.** In consideration of the services to be performed pursuant to this Agreement, the Principal agrees to pay Contractor the amounts set forth in the Scope of Services. The Principal shall provide no benefits to Contractor other than the compensation stated above.

5. **Principal Representative.** The Principal will designate, prior to commencement of work, its project representative ("Principal Representative") who shall make, within the scope of his or her authority, all necessary and proper decisions with reference to the Scope of Services. All requests for contract interpretations, change orders, and other clarification or instruction shall be directed to the Principal Representative.

6. **Independent Contractor.** The services to be performed by Contractor are those of an independent contractor and not of an employee of the Principal. The Contractor is obligated to pay federal and state income tax on any moneys earned pursuant to this Agreement. Neither the Contractor nor its employees, if any, are entitled to workers' compensation benefits for the performance of the services specified in this Agreement.

7. **Personal Services.** It is understood that the Principal enters into this Agreement based on the special abilities of the Contractor and that this Agreement shall be considered as an agreement for personal services. Accordingly, the Contractor shall neither assign any responsibilities nor delegate any duties arising under this Agreement without the prior written consent of the Principal.

8. **Insurance.** Contractor represents, warrants, and agrees that it has and shall maintain State minimum workmen's compensation insurance coverage for its employees, if any. Contractor shall also maintain broad form general liability, property damage, and automotive liability insurance in the minimum amount of \$150,000 for bodily injury, death, or damage to property of any person and \$600,000 for bodily injury, death, or damage to property of more than one person. At the request of the Principal, the Contractor shall provide Principal with documentation evidencing such coverages.

9. **Illegal Aliens.** The Contractor certifies that the Contractor shall comply with the provisions of Section 8-17.5-101 et seq., C.R.S. The Contractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement or enter into an agreement with a subcontractor that knowingly employs or contracts with an illegal alien. The Contractor represents, warrants, and agrees that it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program described in Section 8-17.5-101, C.R.S. The Contractor shall not use either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the public contract for services is being performed. If the Contractor obtains actual knowledge that a subcontractor performing work under this contract knowingly employs or contracts with an illegal alien, the Contractor shall: (i) notify the subcontractor and the Principal within three days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and (ii) terminate the subcontract with the subcontractor if within three days of receiving such notice, the subcontractor does not stop employing or contracting

with the illegal alien, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien. The Contractor shall comply with all reasonable requests made in the course of an investigation by the Colorado Department of Labor and Employment. If the Contractor fails to comply with any requirement of Section 8-17.5-102(2), C.R.S., the Principal may terminate this Agreement for breach and the Contractor shall be liable for actual and consequential damages to the Principal. If Contractor participates in the Department Program, Contractor shall provide the affirmation required under Section 8-17.5-102(5)(e)(III), C.R.S., to the District.

If Contractor operates as a sole proprietor, Contractor hereby swears or affirms under penalty of perjury that Contractor (i) is a citizen of the United States or otherwise lawfully present in the United States pursuant to federal law, (ii) shall comply with the provisions of Section 24-76.5-101 *et. seq.*, C.R.S., and (iii) shall produce one of the forms of identification required by Section 24-76.5-103, C.R.S., prior to the commencement of services.

10. **Compliance with Laws.** The Contractor is obligated to familiarize itself and comply with all laws applicable to the performance of the Scope of Services.

11. **Acceptance Not Waiver.** The Principal's approval or acceptance of, or payment for, any of the services shall not be construed to operate as a waiver of any rights or benefits provided to the Principal under this Agreement.

12. **Default.** Each and every term and condition hereof shall be deemed to be a material element of this Agreement. In the event either party should fail or refuse to perform according to the terms of this Agreement, such party may be declared in default.

13. **Remedies.** In the event a party declares a default by the other party, such defaulting party shall be allowed a period of ten (10) days within which to cure said default. In the event the default remains uncorrected, the party declaring default may elect to (a) terminate the Agreement and seek damages; (b) treat the Agreement as continuing and require specific performance; or (c) avail itself of any other remedy at law or equity. If the non-defaulting party commences legal or equitable actions against the defaulting party, the defaulting party shall be liable to the non-defaulting party for the non-defaulting party's reasonable attorney fees and costs incurred because of the default.

14. **Indemnification; No Waiver of Liability.** The Contractor agrees to indemnify, defend, and hold harmless Principal from any and all damages and liabilities arising from the Contractor's performance of the Scope of Services. If the Scope of Services contains any provisions purporting to require the Principal to defend, indemnify, or hold harmless the Contractor or purporting to effect a waiver or limitation of the Contractor's liability (either by type of liability or amount), the Principal does not agree or accept such provisions and such provisions are not part of the Agreement.

Parties to this Agreement, shall have any right, legal or equitable, to enforce any provision of this Agreement.

DATED this 10 day of March, 2011.

CONTRACTOR:

ANNSWORD, LLC, a Colorado Limited
Liability Company

By: Ann Mc Coy Harold
Ann Harold

DATED this 10 day of March, 2011.

PRINCIPAL:

LA PLATA ARCHULETA WATER
DISTRICT, a quasi-municipal corporation of the
State of Colorado

By: Richard Lunceford
Richard Lunceford, Chairman

EXHIBIT A TO
INDEPENDENT CONTRACTOR SERVICES AGREEMENT

Contractor shall write, manage address lists, arrange mailing a paper newsletter; set-up and manage an e-mail communication system; and manage, update and maintain the La Plata Archuleta Water District's official website.

Cost Estimate based on \$45 an hour:

Prepare budget: 10 hours	\$ 450.00
Write paper newsletter, website content and e-mail messages: 160 hours	\$ 7,200.00
Website design by outside professional	\$ 2,000.00
Website design by Contractor: 15 hours	\$ 675.00
Arrange and manage USPS mail list and e-mail list; website design; obtain property owners lists from County Assessor, verify exclusions; work with mailing house to tailor list: 60 hours	\$ 2,750.00
Printing and mailing by outside provider	\$ 7,800.00
Use Constant Contact, Vertical Response or similar service	<u>\$ 3,000.00</u>
TOTAL	<u>\$23,875.00</u>