

INDEPENDENT CONTRACTOR AGREEMENT

THIS INDEPENDENT CONTRACTOR AGREEMENT (“Independent Contractor Agreement” or “Agreement”) is made and entered into this ____ day of _____, 2016, by and between **CHANDLER ASSET MANAGEMENT, INC.**, a California corporation, whose address is 6225 Lusk Boulevard, San Diego, CA 92121 (hereinafter referred to as “Contractor,” or “Independent Contractor”) and the **TOWN OF ERIE, COLORADO**, a Colorado municipal corporation, whose address is 645 Holbrook Street, P.O. Box 750, Erie, Colorado 80516 (hereinafter referred to as “Town” or “Erie”).

W I T N E S S E T H

WHEREAS, the Town desires to engage the Contractor to render the services described in this Independent Contractor Agreement and the Contractor is qualified and willing to perform such services in accordance with, and subject to the provisions of this Independent Contractor Agreement; and,

WHEREAS, legal authority exists to engage the Contractor and sufficient funds have been budgeted and are available for the work to be performed by the Contractor under this Agreement, and other necessary approvals have been obtained.

NOW, THEREFORE, in consideration of the mutual promises, covenants and obligations of the parties hereto, the terms, covenants and conditions hereof, and intending to be legally bound, the Town and the Contractor agree as follows:

1. The Activity. The Contractor’s services are engaged under this Independent Contractor Agreement for the following activity: Investment advisor services (“Activity”).

2. Contractor’s Services. The Contractor shall, during the term of this Agreement, provide the services to the Town as set forth in Exhibit “A”, attached hereto and incorporated herein by this reference (the “Services”). The Contractor shall perform the Services competently, efficiently, and in accordance with the standards of care required by Colorado law. Contractor further represents that it has the special expertise and background necessary to provide the Services.

3. Duties.

3.1 Contractor shall perform those specific duties enumerated in Exhibit “A,” and shall furnish all personnel and equipment necessary to perform those duties.

4. Compensation. In consideration for the performance of the Services, the Town shall pay to the Contractor the amounts in accordance with the payment schedule, as set forth in Exhibit “A.”

5. Activity Representation.

5.1 The Town designates Steve Felten, or his designee, (“Representative”) as the responsible Town staff member to provide direction to the Contractor during the conduct of the Activity.

5.2. The Contractor designates Julie Hughes as the Activity Manager. The Town may rely upon the guidance, opinions and recommendations provided by the Contractor and its representatives.

6. Commencement and Completion of Services. The term of this Independent Contractor Agreement shall commence on _____, 2016 and shall terminate as set forth herein, below.

7. Termination. This Agreement may be terminated by either party for convenience, without cause and without liability for breach of the Agreement by giving the other party written notice of the termination.

8. Insurance.

8.1 Contractor shall procure and maintain, and shall cause any subcontractor of Contractor to procure and maintain, the minimum insurance coverages listed below as checked. Such coverages shall be procured and maintained with forms and insurers acceptable to the Town. All coverages shall be continuously maintained to cover all liability, claims, demands, and other obligations assumed by Contractor pursuant to paragraph 17 of this Independent Contractor Agreement. In case of any claims made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage.

A. Workmen's Compensation Insurance and Employer's Liability Insurance to cover obligations imposed by applicable laws for any employee of Contractor or a subcontractor engaged in the performance of work under this Independent Contractor Agreement.

B. Professional Liability insurance within minimum single limits of not less than Two Million Dollars (\$2,000,000) each occurrence and Two Million Dollars (\$2,000,000) aggregate.

8.2 Every policy required above shall be primary insurance, and any insurance carried by the Town, its officers, or its employees, or carried by or provided through any insurance pool of the Town, shall be excess and not contributory insurance to that provided by the Contractor. The Contractor shall be solely responsible for any deductible losses under any policy require above.

8.3 The parties hereto understand and agree that the Town is relying on, and does not waive or intend to waive by any provision of this Independent Contractor Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, Section 24-10-101, et seq., C.R.S., as from time to time amended, or any other law, protection or limitation otherwise available to the Town, its officers, or its employees.

9. Payment of Subcontractors. Contractor shall contract with and pay any and all subcontractors used by Contractor in the performance of the Activity. The Town shall in no event have any liability to any subcontractor, and Contractor shall hold the Town harmless with respect to any payments alleged to be due to Contractor's subcontractors.

10. Compliance with Applicable Laws. In connection with the execution of this Independent Contractor Agreement, the Contractor shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, or disability. Such actions shall include, but not be limited to the following: employment; upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor shall comply with the Americans with Disabilities Act (Public Law 101-336), and all applicable regulations and rules promulgated by the Equal Employment Opportunity Commission and the Colorado Civil Rights Commission. At all times during the performance of the Agreement, Contractor shall strictly adhere to all applicable federal, state and Town laws that have been or may hereafter be established. This shall include, without limitation, the United States Department of Labor standards. As used in this paragraph, and hereafter, the term "laws" shall include, without limitation, all federal, state and Town codes, charters, ordinances, laws, standards, rules and regulations. The indemnification and termination provisions of this Independent Contractor Agreement shall apply with respect to Contractor's failure to comply with all applicable laws or regulations.

11. Independent Contractor. The Contractor shall perform all Services as an independent contractor, and nothing in this Independent Contractor Agreement is intended to or shall create a relationship of employer-employee, joint venturers, or partners, between the parties. The Contractor shall be solely responsible for all federal and state income taxes attributable to the monies payable to the Contractor for the Services.

12. Communications. All communications relating to the day-to-day Services for the Activity shall be exchanged between the respective Activity representatives of the Town and the Contractor who will be designated by the parties promptly upon commencement of the Services.

17.2. Contractor agrees that it shall not knowingly employ or contract with an illegal alien to perform work under this Agreement; and that it shall not enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this contract.

17.3. Contractor has verified through participation in the E-Verify Program that the Contractor does not employ any illegal aliens.

17.4. Contractor shall not use the E-Verify Program procedures to undertake preemployment screening of job applicants while work under this Agreement is being performed.

17.5. If Contractor obtains actual knowledge that a subcontractor performing work under this Agreement knowingly employs or contracts with an illegal alien, the Contractor shall: (1) notify the subcontractor and the Town within three days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and (2) terminate the subcontract with the subcontractor if, within three days of receiving the notice required herein, the subcontractor does not stop employing or contracting with the illegal alien; except that the Contractor shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

17.6. The Contractor shall comply with any reasonable request by the Colorado Department of Labor and Employment made in the course of an investigation that the Department is undertaking pursuant to the authority established in C.R.S. section 8-17.5-101(5).

17.7. If Contractor violates a provision of this Illegal Alien section, the Town may terminate this Agreement for breach of contract. If the Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the Town. Contractor understands that, in the event of such a termination, Town is required to notify the office of the Colorado Secretary of State.

18. Attorney's Fees; Interest. In any action brought to enforce the provision(s) of this Independent Contractor Agreement, the prevailing party shall be entitled to an award of all reasonable attorney's fees and costs, including expert witness' fees, expended or incurred, to be recovered as part of the costs therein. Any fees and expenses not paid to Contractor by the Town when due shall earn interest at the rate of five percent (5%) per annum.

19. Waiver. Failure to insist upon strict compliance with any of the terms, covenants, and/or conditions hereof shall not be deemed a waiver of such terms, covenants or conditions, nor shall any waiver or relinquishment of any right or power hereunder at any one time or more times be deemed a waiver or relinquishment of such right or power at any other time or times.

20. Amendments to Agreement. No changes, alterations or modifications to any of the provisions hereof shall be effective unless contained in a written agreement signed by both parties.

21. Entire Agreement. This Independent Contractor Agreement shall constitute the entire agreement between the parties hereto and shall supersede all prior contracts, proposals, representations, negotiations and letters of intent, whether written or oral, pertaining to the Services.

22. Situs, Venue and Severability. The laws of the State of Colorado shall govern the interpretation, validity, performance and enforcement of this Independent Contractor Agreement. For the resolution of any dispute arising hereunder, venue shall be in the Courts of the County of Weld, State of Colorado. If any provision of this Independent Contractor Agreement shall be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Independent Contractor Agreement shall not be affected thereby.

23. Paragraph Headings. Paragraph headings are inserted for convenience only and in no way limit or define the interpretation to be placed upon this Independent Contractor Agreement.

24. **THE PARTIES HERETO UNDERSTAND THAT THE CONTRACTOR IS NOT ENTITLED TO WORKERS' COMPENSATION BENEFITS OR UNEMPLOYMENT COMPENSATION BENEFITS AND IS OBLIGATED TO PAY FEDERAL AND STATE INCOME TAX ON ANY MONEYS EARNED PURSUANT TO THIS AGREEMENT.** The Contractor shall be solely responsible for meeting all applicable withholding, tax, and insurance requirements.

25. No Discrimination. The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, disability or national origin, and shall be in compliance with the applicable provisions of the Americans with Disabilities Act of 1990 as enacted and from time to time amended and any other applicable federal, state, or local law or regulation.

26. Binding Agreement. This Independent Contractor Agreement shall be binding upon and for the benefit of the parties hereto, their successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Independent Contractor Agreement as of the day and year first-above written.

**TOWN:
TOWN OF ERIE,
a Colorado municipal corporation**

By: _____
AJ Krieger, Town Administrator

ATTEST:

By: _____
Nancy J. Parker, Town Clerk

**CONTRACTOR:
CHANDLER ASSET MANAGEMENT, INC.,
a California Corporation**

By: _____
Nicole Drago
COO, Chief Compliance Officer

EXHIBIT "A"

(Services, Duties and Payment of Contractor)

1. Fees. Town shall compensate Contractor monthly an amount calculated on the average market value of Town's portfolio, including accrued interest, in accordance with the following schedule:

First Two (2) Years of the Agreement

Assets Under Management	Annual Investment Management Fee
First \$25 million	0.08 of 1% (8 basis points)
Assets in excess of \$25 million	0.07 of 1% (7 basis points)

Next Three (3) Years of the Agreement

Assets Under Management	Annual Investment Management Fee
First \$10 million	0.10 of 1% (10 basis points)
Next \$15 million	0.08 of 1% (8 basis points)
Assets in excess of \$25 million	0.07 of 1% (7 basis points)

The fees expressed above do not include any custody fees that may be charged by Town's bank or other third party custodian.

Fees shall be prorated to the effective date of termination on the basis of actual days elapsed, and any unearned portion of prepaid fees shall be refunded. Town is not required to pay any start-up or closing fees; there are no penalty fees.

Fees shall be deducted monthly in arrears from Town's custody account.

2. Investment Policy. In investing and reinvesting Town's assets, Contractor shall comply with Town's Investment Policy, which is attached hereto as Exhibit "B."
3. Authority of Contractor. Contractor is hereby granted authority to invest and reinvest all assets under its management in securities permitted by the Investment Policy, subject to the prior approval of Representative. Such approval may be granted orally, by facsimile, or by email.
4. Electronic Delivery. From time to time, Contractor may be required to deliver certain documents to Town such as account information, notices and required disclosures. Town hereby consents to Contractor's use of electronic means, such as email, to make such delivery. This delivery may include notification of the availability of such document(s) on a website, and Town agrees that such notification will constitute "delivery". Town further agrees to provide Contractor with Town's email address(s) and to keep this information current at all times by promptly notifying Contractor of any change in email address(s). The Town e-mail address for initial account information, notices and required disclosures is: sfelten@erieco.gov
5. Proxy Voting. Contractor will vote proxies on behalf of Town unless otherwise instructed. Contractor has adopted and implemented written policies and procedures and will provide Town with a description of the proxy voting procedures upon request. Contractor will provide information regarding how Towns' proxies were voted upon request. To request proxy policies or other information, please contact us by mail at the address provided, by calling 800-317-4747 or by emailing your request to info@chandlerasset.com.
6. Custody of Securities and Funds. Contractor shall not have custody or possession of the funds or securities that Town has placed under its management. Town shall appoint a custodian to take and have possession of its assets. Town recognizes the importance of comparing statements received from the appointed custodian to statements

received from Contractor. Town recognizes that the fees expressed above do not include fees Town will incur for custodial services.

7. Valuation. Contractor will value securities held in portfolios managed by Contractor no less than monthly. Securities or investments in the portfolio will be valued in a manner determined in good faith by Contractor to reflect fair market value.
8. Investment Advice. Town recognizes that the opinions, recommendations and actions of Contractor will be based on information deemed by it to be reliable, but not guaranteed to or by it. Provided that Contractor acts in good faith, Town agrees that Contractor will not in any way be liable for any error in judgment or for any act or omission, except as may otherwise be provided for under the Federal Securities laws or other applicable laws.
9. Payment of Commissions. Contractor may place buy and sell orders with or through such brokers or dealers as it may select. It is the policy and practice of Contractor to strive for the best price and execution and for commission and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities and Exchange Act. Nevertheless, it is understood that Contractor may pay a commission on transactions in excess of the amount another broker or dealer may charge, and that Contractor makes no warranty or representation regarding commissions paid on transactions hereunder.
10. Other Clients. It is further understood that Contractor may be acting in a similar capacity for other institutional and individual clients, and that investments and reinvestments for Town's portfolio may differ from those made or recommended with respect to other accounts and clients even though the investment objectives may be the same or similar. Accordingly, it is agreed that Contractor will have no obligation to purchase or sell for Town's account any securities which it may purchase or sell for other clients.
11. Confidential Relationship. The terms and conditions of this Agreement, and all information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties except (i) as required by law, rule, or regulation, (ii) as requested by a regulatory authority, (iii) for disclosures by either party of information that has become public by means other than wrongful conduct by such party or its officers, employees, or other personnel, (iv) for disclosures by either party to its legal counsel, accountants, or other professional advisers, (v) as necessary for Contractor to carry out its responsibilities hereunder, or (vi) as otherwise expressly agreed by the parties.
12. Receipt of Brochure and Privacy Policy. Town hereby acknowledges receipt of the disclosure statement or "brochure" and "brochure supplement" also known as Part 2A and Part 2B of Form ADV, required to be delivered pursuant to Rule 204-3 of the Investment Advisers Act of 1940 (Brochure). Town further acknowledges receipt of Contractor's Privacy Policy, as required by Regulation S-P.

EXHIBIT "B"

(Town's Investment Policy)