

**TOWN OF JOHNSTOWN
PROFESSIONAL SERVICES AGREEMENT**

THIS PROFESSIONAL SERVICES AGREEMENT (the “Agreement”) is made and entered into this ____ day of _____ 2025 (the “Effective Date”) by and between the Town of Johnstown, Colorado, a Colorado home-rule municipality (the “Town”) and Russ Baca, an individual (“Consultant”) (collectively, the “Parties”).

RECITALS

WHEREAS, the Town desires to engage the services of Consultant and Consultant desires to provide those services more fully described on Exhibit A, attached hereto and incorporated herein by reference (“Services”), to the Town; and

WHEREAS, the Parties wish to memorialize their contractual relationship.

AGREEMENT

NOW, THEREFORE, incorporating the foregoing Recitals herein and in consideration of the mutual promises, agreements, undertakings and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby mutually agree as follows:

SECTION 1: PARTIES

1.01 Town. The Town is a home-rule municipality located in Johnstown, Colorado.

1.02 Consultant. Consultant is a private individual who will exercise discretion and judgment of an independent contractor in the performance and exercise of its rights and obligations under this Agreement.

SECTION 2: SERVICES, COMPENSATION AND TERM

2.01 Services. Consultant agrees to perform the Services for the Town.

2.02 Compensation. In consideration of Consultant’s performance of the Services contemplated herein, the Town agrees to pay Consultant the compensation set forth on Exhibit A. Consultant shall submit monthly invoices reflecting the Services completed to the date of the invoice. The Town shall provide payment for Services to Consultant within thirty (30) days of receipt of the invoice. At its discretion, the Town may withhold payment for disputed portions of invoices on the condition that the Town provides written notice to Consultant of the dispute. Upon delivery of notice, the Town and Consultant shall promptly endeavor to resolve such dispute.

2.03 Expenses: Consultant shall not incur any expense or debt on behalf of the Town without the Town Manager’s prior written authorization. Consultant shall not be entitled to reimbursement of expenses incurred on behalf of the Town without the Town Manager’s prior

written authorization.

2.04 Term. Unless otherwise terminated in accordance with Section 5, the term of this Agreement shall be from the Effective Date through August 31, 2026, and shall not extend beyond that date absent the written approval of the Town.

SECTION 3: OPERATIONS

3.01 Consultant Status. Consultant avers that it has the background, expertise and education to provide the Services. Consultant shall be responsible for the proper performance of the Services in accordance with the terms hereof. Consultant shall obtain the necessary permits, if any, and maintain all required licenses, including but not limited to a Town business license.

3.02 Schedule. Unless otherwise set forth in Exhibit A, Consultant shall provide the Services in accordance with the timeline requested by the Town

SECTION 4: INSURANCE AND INDEMNITY PROVISIONS

4.01 Insurance.

A. Consultant understands and agrees that Consultant shall have no right of coverage under any existing or future Town comprehensive or personal injury liability insurance policies. As a material term of this Agreement, Consultant agrees to maintain and keep in force during the term of this Agreement one or more policies of insurance written by one or more responsible insurance carrier(s) authorized to do business in the State of Colorado in the following amounts:

1. Workers' compensation insurance as required by law;
2. Commercial general or business liability insurance with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000.00) each occurrence and TWO MILLION DOLLARS (\$2,000,000.00) general aggregate;
3. Automobile liability insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000) for any one occurrence, with respect to each of Consultant's owned, hired or non-owned vehicles assigned to or used in performance of the Services. In the event that Consultant's insurance does not cover non-owned automobiles, the requirements of this paragraph shall be met by each employee of Consultant who utilizes an automobile in providing services to Town under this Agreement; and
4. Professional liability insurance with minimum limits of ONE MILLION DOLLARS (\$1,000,000.00) each claim and TWO MILLION DOLLARS (\$2,000,000.00) general aggregate.

B. Consultant shall procure and maintain the minimum insurance coverages

listed herein. All coverages shall be continuously maintained to cover all liability, claims, demands and other obligations assumed by Consultant pursuant to this Agreement. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage. The Town shall have the right to request and receive a certified copy of any policy and any endorsement thereto. Except for workers compensation insurance, the Town shall be listed as an additional insured party on Consultant's insurance policies.

C. A certificate of insurance shall be completed by Consultant's insurance agent(s) as evidence that policies providing the required coverages, conditions and minimum limits are in full force and effect, and, provided to the Town, shall be subject to review and approval by the Town. The certificate shall identify this Agreement and shall provide that the coverages afforded under the policies shall not be canceled, terminated or materially changed until at least thirty (30) days prior written notice has been given to Town. If the words "endeavor to" appear in the portion of the certificate addressing cancellation, those words shall be stricken from the certificate by the agent(s) completing the certificate. The completed certificate of insurance shall be provided to the Town.

4.02 Damage and Indemnity. Consultant assumes full responsibility for any and all damages caused by Consultant's exercise of its activities, or failures to act, under this Agreement. Consultant agrees that it will at all times protect, defend, indemnify and hold harmless the Town, its elected officials, employees, agents, and their successors and assigns, from and against all liabilities, losses, claims, demands, actions and costs (including reasonable attorneys' fees), arising from or related to loss or damage to property or injury to or death to any persons arising from or resulting in any manner from the actions or failures to act of Consultant or any invitees, guests, agents, employees or contractors of Consultant, whether brought by any of such persons or any other person.

SECTION 5: TERMINATION

5.01 Termination. The Town or Consultant may terminate this Agreement, with or without cause, by providing ten (10) days written notice to the other Party. Notwithstanding the foregoing, if the Town terminates this Agreement for cause and determines that a notice period is not in the best interests of the Town, the Town may terminate this Agreement by providing written notice to Consultant effective immediately. In the event of a termination, Consultant's monthly stipend shall be prorated to the date of termination.

SECTION 6: INDEPENDENT CONTRACTOR

6.01 Independent Contractor. Consultant understands and agrees that Consultant is an independent contractor and not an employee of the Town. The Town shall not provide benefits of any kind to Consultant. The Town shall not be responsible for withholding any portion of Consultant's compensation for the payment of Federal Insurance Contributions Act (FICA) tax, workers' compensation, or other taxes or benefits. CONSULTANT IS NOT ENTITLED TO UNEMPLOYMENT COMPENSATION COVERAGE FROM THE TOWN. CONSULTANT IS OBLIGATED TO PAY FEDERAL AND STATE INCOME TAX ON MONEYS PAID PURSUANT TO THIS AGREEMENT. As long as there is not a conflict of interest with the

Town, Consultant may engage in any other lawful business activities during the term of this Agreement.

SECTION 7: NOTICE

7.01 Notices. All notices required under this Agreement shall be in writing and shall be: 1) hand-delivered; 2) sent by registered or certified mail, return receipt requested, postage prepaid, to the addresses of the Parties herein set forth; or 3) sent by electronic mail (“email”) return receipt or written acknowledgment requested and received. All notices by hand-delivery shall be effective upon receipt. All notices by mail shall be considered effective seventy-two (72) hours after deposit in the United States mail with the proper address as set forth below. All notices by email shall be effective upon delivery, on the condition that the intended recipient acknowledges receipt thereof. Either party, by notice to be given, may change the address to which future notices shall be sent.

TO THE TOWN:

Town of Johnstown

Attn: Matt LeCerf

450 S. Parish Avenue

P.O. Box 609

Johnstown, CO 80534

Email: mlecerf@johnstownco.gov; notices@johnstownco.gov

TO CONSULTANT:

Russ Baca

2513 Fox Run Court

Fort Collins, CO 80526

Email: bacaruss@gmail.com

SECTION 8: MISCELLANEOUS

8.01 Time. Time is of the essence of this Agreement and of each covenant hereof.

8.02 Non-Appropriation of Funds. Pursuant to Section 29-1-110, C.R.S., as amended, financial obligations of the Town payable as set forth herein, after the current fiscal year, are contingent upon funds for that purpose being budgeted, appropriated and otherwise made available. This Agreement shall be terminated effective January 1 of the first fiscal year for which funds are not budgeted and appropriated.

8.03 Laws and Regulations. In the conduct of the Services, Consultant shall comply with all applicable laws, rules and regulations, and the directives or instructions issued by the Town or its designated representatives.

8.04 Assignment; Third Party Rights. Consultant may not assign, delegate or subcontract any part of its rights, duties or obligations under this Agreement. The Parties do not intend to confer any benefit hereunder on any person or entity other than the Parties hereto.

8.05 Amendment. This Agreement may not be amended or modified except by a subsequent written instrument signed by the Parties. Course of performance, no matter how long, shall not constitute an amendment to this Agreement.

8.06 Severability. If any part, term or provision of this Agreement is declared unlawful or unenforceable, the remainder of this Agreement shall remain in full force and effect, except that, in the event any state or federal governmental agency or court determines that the relationship between the Town and Consultant is one of employment rather than independent Consultant, this Agreement shall become null and void in its entirety.

8.07 Waiver. No consent or waiver, express or implied, by the Town to or of any breach or default by Consultant in the performance by Consultant of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default by the Town. Failure on the part of the Town to complain of any act or failure to act or to declare Consultant in default, irrespective of how long such failure continues, shall not constitute a waiver by the Town of its rights hereunder.

8.08 Governmental Immunity. The Parties agree that the Town is relying on, and does not waive or intend to waive by any provision of the Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, §§ 24-10-101 *et seq.*, C.R.S., as amended from time, or otherwise available to the Town, its elected officials, employees or agents.

8.09 Applicable Law and Venue. This Agreement shall be construed according to the laws of the State of Colorado. Venue for any claim, proceeding or action arising out of this Agreement shall be in Weld County, State of Colorado.

8.10 Mediation. In the event of any dispute arising under this Agreement, except in the case of an action for injunctive relief, the Parties shall submit the matter to mediation prior to commencing legal action and shall share equally in the cost of the mediation.

8.11 Costs and Attorney's Fees. If any judicial proceedings may hereafter be brought to enforce any of the provisions of this Agreement, the Town, if the prevailing party, shall be entitled to recover the costs of such proceedings, including reasonable attorney's fees and reasonable expert witness fees.

8.12 Public Official Personal Liability. Nothing herein shall be construed as creating any personal liability on the part of any elected official, employee or agent of the Town.

8.13 No Presumption. Each Party acknowledges that it has carefully read and reviewed the terms of this Agreement. Each Party acknowledges that the entry into and execution of this Agreement is of its own free and voluntary act and deed, without compulsion. EACH PARTY ACKNOWLEDGES THAT IT HAS OBTAINED, OR HAS HAD THE OPPORTUNITY TO OBTAIN, THE ADVICE OF LEGAL COUNSEL OF ITS OWN CHOOSING IN CONNECTION WITH THE NEGOTIATION AND EXECUTION OF THIS AGREEMENT AND WITH RESPECT TO ALL MATTERS SET FORTH HEREIN. The Parties agree that this Agreement reflects the joint drafting efforts of all Parties and in the event of any dispute, disagreement or

controversy arising from this agreement, the Parties shall be considered joint authors and no provision shall be interpreted against any Party because of authorship.

8.14 Entire Agreement. The provisions of this Agreement represent the entire and integrated agreement between the Town and Consultant concerning the subject matter contained herein and supersede all prior negotiations, representations and agreements, whether written or oral.

8.15 Controlling Document. In the event of a conflict between the provisions in this Agreement and Exhibit A, the provisions in this Agreement shall control.

8.16 Headings. The headings in this Agreement are inserted only for the purpose of convenient reference and in no way define, limit or prescribe the scope or intent of this Agreement or any part thereof.

8.17 Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but all of which, together, shall constitute one and the same instrument.

8.18 Waiver of Right to Jury Trial. To the fullest extent permitted by law, each party hereto waives its respective rights to a trial by jury of any claim or cause of action based upon, arising out of or related to this agreement.

8.19 Data Security. If Consultant has access to personal identifying information during the term of this Agreement, Consultant shall, pursuant to Section 24-73-101, *et seq.*, C.R.S., destroy all paper and electronic documents containing such personal identifying information within six months of termination of this Agreement, unless otherwise required by law. During the term of this Agreement, Consultant shall implement and maintain reasonable security procedures that are appropriate to the nature of the personal identifying information disclosed or maintained and that are reasonably designed to help protect the information from unauthorized access, use, modification, disclosure or destruction. If Consultant discovers or is informed of a security breach, Consultant shall give the Town notice in the most expedient time and without unreasonable delay, no later than ten (10) calendar days after it is determined a security breach occurred. Consultant shall cooperate with the Town in the event of a security breach that compromises computerized data, if misuse of personal information about a Colorado resident occurred or is likely to occur. Cooperation includes sharing with the Town information relevant to the security breach.

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Notary Public

EXHIBIT A SERVICES

SERVICES:

Consultant shall seek out and develop “Medical AI” for the Town to assist in establishing a Medical AI facility in the Town. Consultant also agrees any leads and relationships past, present, or future developed by the Town or our employees that result in an economic development project or Medical AI project are not subject to any compensation or bonus described below.

BI-MONTHLY REPORTING

Consultant shall submit a written report to the Town every two months on or before the first day of the month. The first such report shall be submitted on or before November 1, 2025, and shall continue thereafter every two months. The report shall contain a detailed description of the activities that Consultant has performed, and the achievements Consultant has accomplished.

COMPENSATION

Consultant shall be entitled to a monthly stipend of \$3,500.00. Consultant shall submit monthly invoices for payment of such stipend. Consultant may be entitled to a bonus if Consultant successfully assists in bringing a qualified Healthcare/Medical AI facility physically operating in the Town based on square footage, job creation, average annual wage pay (per employee), capital investment, and integration of AI technology. The “Minimum Qualifications” of the bonus are as detailed below:

Minimum Qualifications

- Building Square Footage: 25,000
- Average Employee Wage (per employee): \$70,000
- Employee Count: > 10
- Medical AI Application for Patient Diagnosis, Treatment and/or Care
- Capital Investment: \$5,000,000

The bonus of \$10,000 shall be paid after 30 days of the qualified Healthcare/Medical AI facility being open and operational meeting all Minimum Qualifications. Consultant shall not be entitled to a commission for a real-estate transaction unless Consultant acts as a buyer’s or seller’s agent in the transaction pursuant to a separately executed agency agreement.

The Town will exclusively negotiate any incentives provided by the Town and the Consultant has no authority or authorization to bind the Town and the incentives it may offer.