

## SAMPLE WORKING AGREEMENT

### TERMS AND CONDITIONS

Agreement between KALEIDOSCOPE INTERNATIONAL and the business identified on this agreement.

The client listed below is subject to the following terms and conditions.

**GENERAL WORKING AGREEMENT** – This document defines the terms and conditions of our working relationship. All projects or services that KALEIDOSCOPE INTERNATIONAL may be contracted to produce or provide for CLIENT will be subject to the following:

**WORKING/BILLING PHASES** – Based on our experience with long-term design communications projects, we have found that it is mutually advantageous to handle each project in logical working/billing phases.

Concept revisions, extensive alterations, or a switch in marketing objectives sometimes makes it impossible to accurately estimate in advance the total cost of a project. KALEIDOSCOPE INTERNATIONAL agrees to bill CLIENT in phases, enabling either party to make any necessary changes before a new phase begins.

**PAYMENT/ESTIMATES** – CLIENT agrees to pay KALEIDOSCOPE INTERNATIONAL in full or the remaining balance 15 days from receipt of an invoice. A finance charge of 1% per month (12% annually) on all overdue balances will apply. KALEIDOSCOPE INTERNATIONAL reserves the right to refuse completion or delivery of work until past due balances are paid.

**OUT-OF-POCKET EXPENSES** – Fees for professional services do not include outside purchases such as, but not limited to, printing, photography, color printouts, laminating, illustrations, shipping and handling or courier service. Expenses are itemized on each invoice. Tangible expenses are subject to Iowa sales tax unless the work is for resale and you have submitted a resale certificate to KALEIDOSCOPE INTERNATIONAL. If consultant or supervisory services are required in out-of-town locations, we will bill lodgings, meals, and transportation at cost. Reimbursement for mileage is calculated at current allowable rates.

**REVISIONS AND ALTERATIONS** – Author's alterations and other copy changes requested after layouts or mechanicals are completed are billed at standard hourly rates.

**OVERTIME** – "Priority Scheduling" requests requiring overtime and weekends may be subject to the overtime rate. Outside suppliers may charge up to a 200% markup on overtime after 5:30pm and on weekends.

**NATURE OF COPY** – CLIENT agrees to exercise due diligence in its direction to KALEIDOSCOPE INTERNATIONAL regarding preparation of materials and must be able to substantiate all claims and representations. CLIENT is responsible for all trademark, service mark, copyright and patent infringement clearances. CLIENT is also responsible for arranging, prior to publication, any necessary legal clearance of materials KALEIDOSCOPE INTERNATIONAL prepares.

**ERRORS AND OMISSIONS** – It is CLIENT'S responsibility to check proofs carefully for accuracy in all respects, ranging from spelling to technical illustrations/copy. KALEIDOSCOPE INTERNATIONAL is not liable for errors or omissions. The signature CLIENT'S authorized representative is required on all mechanicals or artwork prior to release for printing or other implementation.

**PROPERTY AND SUPPLIER'S PERFORMANCE** – KALEIDOSCOPE INTERNATIONAL will take all reasonable precautions to safeguard any property CLIENT may entrust to us. In the absence of negligence on our part, however, KALEIDOSCOPE INTERNATIONAL is not responsible for loss, destruction or damage or unauthorized use by others of such property. We will use our best efforts to ensure quality and timely delivery of all printed pieces, if applicable. Although we may use our best efforts to guard against any loss to CLIENT through failure of our vendors, media, or others to perform in accordance with their commitments, KALEIDOSCOPE INTERNATIONAL is not responsible for failure on their part.

When CLIENT works directly with your own vendors you may request that we coordinate their work. If at all possible we will do so, but cannot in any way be held responsible for quality, price, performance or delivery.

**LIEN** – All materials or property belonging to CLIENT, as well as work preformed, may be retained as security until all just claims against CLIENT are satisfied.

**RIGHTS OF OWNERSHIP** – Once a project has been delivered by us and is fully paid for by CLIENT, KALEIDOSCOPE INTERNATIONAL will assign the reproduction rights of the design for the use(s) described in the proposal.

According to the Copyright Law of 1976, the rights to all design and art work, including but not limited to photography and/or illustration created by independent photographers or illustrators retained by KALEIDOSCOPE INTERNATIONAL, or purchased from a stock agency on behalf of CLIENT, remain with the individual designer, artist, photographer or illustrator. Unless a purchase of "All Rights" (A Buyout) is negotiated with KALEIDOSCOPE INTERNATIONAL and/or their authorized representative, CLIENT may not use or reproduce the design or the images therein for a purpose other than the one(s) originally stipulated. If CLIENT wishes to use a design KALEIDOSCOPE INTERNATIONAL has created and/or the images within it for another purpose or project, including a reprint or exhibition, you must contact us to arrange the transfer of rights and any additional fees before proceeding. When printing or other implementation is done through your vendors, you agree to return to us all our original mechanicals and artwork, if applicable, within two weeks, and to provide us with printed samples of each project.

KALEIDOSCOPE INTERNATIONAL reserves the right to photograph and/or distribute or publish for our company's promotional and marketing needs any work we create for CLIENT, including mock-ups and comprehensive presentations, as samples for our portfolio, company newsletter, brochures, slide presentations and similar media. We agree to store artwork/information for a period of 6 months beyond the delivery of a job. Thereupon, we reserve the right to discard it.

**TERM AND TERMINATION** – The term of this agreement will continue for work in progress until terminated by either of us upon thirty (30) days written notice. If CLIENT should direct us at any time to cancel, terminate or "put on hold" any previously authorized purchase, we will promptly do so, provided you hold us harmless for any cost incurred as a result.

Upon termination of this agreement, KALEIDOSCOPE INTERNATIONAL will transfer to CLIENT all your property and materials in our control and for which you have paid. CLIENT will indemnify and hold KALEIDOSCOPE INTERNATIONAL harmless for any loss or expense (including attorney's fees), and agree to defend KALEIDOSCOPE INTERNATIONAL in any actual suit, claim, or action arising in any way from our working relationship. This includes, but is not limited to assertions made against CLIENT and any of its products and services arising from the publication of materials that we prepare and you approve before publication.

In the event of cancellation of the project, ownership of all copyrights and the original artwork and disks shall be returned and retained by KALEIDOSCOPE INTERNATIONAL, and a fee for work completed, based on the contract price and expenses already incurred, shall be paid by CLIENT.

**PRODUCTION SCHEDULES** – Production schedules will be established and adhered to by both CLIENT and KALEIDOSCOPE INTERNATIONAL, provided that neither shall incur any liability, penalty or additional cost due to delays caused by a state war, riot, civil disorder, fire, labor trouble or strike, accidents, energy failure, equipment breakdown, delays from third party suppliers, action of government or civil authority, and act of God or other causes beyond the control of CLIENT or KALEIDOSCOPE INTERNATIONAL. Where production schedules are not adhered to by CLIENT, final delivery date or dates will be adjusted accordingly.

**ADDITIONAL PROVISIONS** – The validity and enforceability of this agreement will be interpreted in accordance with the laws of the State of Iowa applicable to agreements entered into and performed in the State of Iowa. This agreement is our entire understanding and may not be modified in any respect except in an executed agreement.

If we must retain attorneys to collect our invoices, we will be entitled to reasonable attorney's fees, court costs, and interest at the maximum rate permitted by law.

**ACCEPTANCE OF TERMS AND CONDITIONS** – The above specifications and conditions are hereby accepted.

CLIENT:

KALEIDOSCOPE INTERNATIONAL:

DATE: