



TERMS & CONDITIONS AGREEMENT

Concerning Proposal Estimate for _____

"Design is our passion. Our clients fuel it."

CLIENT	Date:
	Commissioned by:
	Job Number:

Description of Assignment

Description of Materials to be Supplied by Client

(Final Date Due is predicated on receipt of all materials to be supplied by Client)

Rights Transferred

The material transferred can be used only for the purposes stated below. All other use(s) and modification(s) is (are) prohibited. All rights not transferred remain the property of Valhalla Designs. Usage beyond that granted to the Client herein shall require payment of a mutually agreed upon additional "Reuse Fee" subject to all terms. All materials, including the intermediate milestone deliverables, may not be copied without the permission of Valhalla Designs, and must be returned after use.

TITLE & PRODUCT RIGHTS:

CATEGORY OF USE RIGHTS:

MEDIUM OF USE RIGHTS:

GEOGRAPHIC AREA RIGHTS:

EDITION/VERSION RIGHTS:

TIME PERIOD RIGHTS:

REPRODUCTION RIGHTS:

DERIVATIVE WORK RIGHTS:

PERFORMANCE RIGHTS:

Any transfer of Rights is conditional on receipt of full payment.



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PROPOSED PRODUCTION SCHEDULE (including milestones, dates due, and fees due)

MILESTONE	DATE DUE	PAYMENT DUE
Contract Signing	Within 30 days upon proposal receipt	\$0.00
Delivery of Design Comps	5 business days after contract approval	\$0.00
Delivery of Initial Version	2 business days after selected design comp	\$0.00
Delivery of Final Design	2 business days after initial version acceptance	\$0.00
PROJECT COMPLETION	TOTAL PAID:	\$0.00

Note: After each 'Delivery' milestone, CLIENT has five business days to respond to DESIGNER.

Estimated Date Due: ____ Business Days after Contract Signing, or less, depending upon CLIENT'S milestone response to DESIGNER.

ESTIMATED EXPENSES	The Client shall reimburse Valhalla Designs for all expense. Expense amounts (in US\$) are estimates only.		
Illustration	\$0	Printing (if brokered by Valhalla Designs)	\$0
Photography	\$0	Client's Alterations	\$0
Models & Props	\$0	Communication	\$0
Materials & Supplies	\$0	Transportation & Travel	\$0
Type	\$0	Messengers	\$0
Stats, Proofing & Copies	\$0	Shipping & Insurance	\$0
Mechanicals	\$0	Other Expenses	\$0
		Subtotal:	\$0
		Supervisory and Handling fee :	\$0
		Sales Tax (on applicable items) :	\$0
		TOTAL:	\$0.00

GENERAL WORKING AGREEMENT

This document defines the terms and conditions of our working relationship. All projects or services that Valhalla Designs (DESIGNER) may be contracted to produce, or provide, for _____ (CLIENT) will be subject to the following:

WORKING/BILLING PHASES

Based on DESIGNER'S experience with 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 change in objectives sometimes makes it impossible to accurately estimate, in advance, the total cost of a project. Planning the work, cost estimating, and billing in four (4) phases permits either DESIGNER or CLIENT to adjust for such revisions; or halt work before completion if a project is postponed or canceled. Any canceled project is billed only through phases, and/or portions of phases, that were actually completed by DESIGNER.

When the work to be done is on a RUSH or OVERTIME basis any additional costs incurred, due to such circumstances, will be reflected in the billing. All estimates are valid for thirty (30) days.

DESIGNER will begin work upon receiving CLIENT'S approval signature of this Terms and Conditions Agreement.

TIME FOR PAYMENT

CLIENT agrees to pay invoices in accordance with the terms specified in this proposal/estimate. Payment is due at each milestone due date as noted in the Production Schedule. A 1.5% monthly service charge is payable on all overdue balances of milestone payments and billable expenses. DESIGNER retains all rights to all intermediate deliverables submitted at each milestone. The grant of any license or right of copyright to the CLIENT is conditioned on receipt of full payment by the Client of the Total amount and all Billable Expenses. The failure of the CLIENT to make payment to DESIGNER as provided shall constitute a material breach of this agreement by CLIENT and DESIGNER, at its option, may suspend further work until such payments are current or made in full. Such suspension by DESIGNER shall not be deemed a breach of agreement.



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PLACE OF PAYMENT: All payments to be made by CLIENT to DESIGNER'S place of business as set forth on the face of this agreement. **MAKE ALL CHECKS PAYABLE TO: VALHALLA DESIGNS**

DEFAULT IN PAYMENT

The Client shall assume responsibility for all collection of legal fees necessitated by default in payment.

ESTIMATES

If this form is used for an estimate or assignment proposal, the fees and Billable Expenses shown are minimum expenses only. Final fees and Billable Expenses shall be shown when invoice is rendered. The Client's approval shall be obtained for any increases in fees or expenses that exceed the original estimate by twenty percent (20%) or more.

BILLABLE EXPENSES

The Client shall reimburse DESIGNER for all direct and indirect billable expenses arising from this assignment, regardless of whether the assignment is Cancelled or Terminated. Billable Expenses include but are not limited to costs of commissioning images or subcontracting talent, software or run-time license costs, the payment of any sales tax due on this assignment, any travel, research, postage and delivery, photocopying, and storage media expenses. The markup charged by DESIGNER for supervisory and handling time on all Billable expenses shall be ten percent (10%) of the Billable Expenses incurred.

CLIENT'S ALTERATIONS

There shall be no charges to the Client for revisions or corrections or additions made necessary by errors on the part of DESIGNER. No additional payment shall be made for changes required to conform to the original assignment description. Any other changes requested by the Client shall be considered CLIENT's Alterations if they are requested after the acceptance of the Final Design. Changes to the Final Design requested after production of mechanical boards or camera-ready computer output will be considered "new work" and will be billed in addition to the Estimate. If the stated job description changes to such an extent that the Estimate is no longer applicable, then a New Estimate will be submitted and agreed to before any further work can proceed. The Client shall be responsible for making additional payments at the rate noted herein for any CLIENT's Alterations and any other changes in original assignment requested by the Client.

ACCEPTANCE PROCEDURES

Unless otherwise noted in the payment schedule, during the Review Period within five (5) calendar days of a Delivery, the CLIENT shall either accept the deliverable and make the milestone payment set forth in the payment schedule, or provide DESIGNER with written notice of any corrections to be made, or provide a written notice of project Termination if the work is found not to be reasonably satisfactory.

DESIGNER shall designate _____ and the CLIENT shall designate _____ as the only designated persons who will send and accept all deliverables and receive and make all communications between DESIGNER and the CLIENT. Neither party shall have any obligation to consider for approval nor respond to materials submitted other than through the designated persons listed above. Each party has the right to change its designated person upon three (3) calendar days notice to the other.

DISCLAIMER AND LIMITATIONS OF LIABILITY

Limitations of Liability: DESIGNER'S liability to the CLIENT for any loss of any kind resulting from services provided pursuant to this agreement shall be limited to DESIGNER'S fee paid by CLIENT without interest. DESIGNER will not be liable for other damages of any kind including its own negligence, excluding gross negligence, even if DESIGNER has been advised of the possibility of such damages or for any claim against CLIENT by any other party. DESIGNER will not be responsible for any claims made by CLIENT or for any legal clearance incumbent upon CLIENT to receive.

Indemnity: CLIENT will indemnify and hold harmless DESIGNER against all claims and expenses, including reasonable attorney's fee arising from the use of DESIGNER'S work.

Third Parties: DESIGNER will act reasonably to protect any property entrusted to it against any loss. However, in absence of gross negligence, DESIGNER is not responsible for the loss, damage, destruction, or unauthorized use by others of such property or failure of other suppliers or vendors.



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TELECOMMUNICATIONS

CLIENT shall pay for all transmissions charges. The DESIGNER is not responsible for any errors, omissions, or extra costs resulting from faults in the telephone, cable, satellite network or from incompatibility between the sending and receiving equipment.

TAXES

CLIENT shall be responsible for payment of any taxes, including sales and use, levied from the date of this agreement, paid or payable by DESIGNER in respect to this agreement, exclusive of taxes based on net income.

Ownership of Work: Unless otherwise specified on the face of this agreement DESIGNER retains ownership of all original work, whether preliminary or final and CLIENT shall return such artwork within thirty (30) days of use. In case of loss, damage, or failure to return work, CLIENT agrees that the reasonable value of each work produced is \$1,500, or triple the total of the bill, whichever is less. All materials, including the intermediate milestone deliverables, may not be copied without the permission of DESIGNER, and must be returned after use.

Portfolio Usage: DESIGNER reserves the right to use any work it may produce for the CLIENT as samples, which DESIGNER may use or reproduce in any reasonable way for its marketing needs.

Unused Designs: Any design ideas which are not accepted by CLIENT are the property of DESIGNER and it will be free to use, sell, or dispose of such designs in any way DESIGNER may choose.

Cancellation/Damages: The CLIENT may declare the Cancellation of the assignment for reasons not related to assignment Termination as defined in the Termination paragraph (below). In the event of cancellation of this assignment by the CLIENT, any milestone payments made prior to cancellation shall be retained by DESIGNER. In addition, if cancellation is prior to the delivery of the Design Comps, a cancellation fee of fifteen percent (15%) of the balance of the Total payments shall be paid by the CLIENT. If the cancellation is later but prior to the acceptance of a Design Comp, a fee of thirty percent (30%) of the balance of the Total payments shall be paid by the CLIENT. If the cancellation is later but prior to the delivery of the Initial Version, the cancellation fee shall be fifty percent (50%) of the balance of Total payments. If the cancellation is after the delivery of the Initial Version, the cancellation fee shall be one hundred percent (100%) of the balance of all remaining dues. Regardless of when the project is cancelled, all billable expenses already incurred by DESIGNER, or DESIGNER is liable to pay for, shall be paid by the CLIENT in full. In the event of cancellation, DESIGNER retains ownership of all copyrights and any original artwork.

If CLIENT should direct DESIGNER at any time to cancel, terminate or "put on hold" any previously authorized purchase, DESIGNER will promptly do so, provided CLIENT hold DESIGNER harmless for any cost(s) incurred as a result.

Project Termination: In the event that work in process is found by the CLIENT not to be reasonably satisfactory in accordance with the Acceptance Procedures on page 3, the CLIENT may pay a termination fee to terminate the assignment. Any milestone payments made prior to termination shall be retained by DESIGNER. If assignment termination occurs prior to the acceptance of a Design Comp, the CLIENT shall pay a rejection fee of ten percent (10%) of the balance of Total payments. If termination occurs after the delivery of the Initial Version, the termination fee shall be twenty percent (20%) of the balance of Total payments. If termination occurs after the acceptance of the Initial Version, the termination fee shall be one hundred percent (100%) of the balance of Total payments. Regardless of when the assignment is terminated, all billable expenses already incurred by DESIGNER, or DESIGNER is liable to pay for, shall be paid by the CLIENT in full. In the event of termination, DESIGNER retains ownership of all copyrights and any original artwork created by DESIGNER. However, the CLIENT retains all rights already purchased by DESIGNER on behalf of the CLIENT from third parties.

ADDITIONAL PROVISIONS

The DESIGNER'S responsibility to CLIENTS:

1. A DESIGNER shall acquaint him or herself with a CLIENT'S business and design standards and shall act in the CLIENT'S best interest within the limits of professional responsibility.
2. A DESIGNER shall not work simultaneously on assignments that create a conflict of interest without the agreement of those CLIENTS concerned, except in specific cases where it is the convention of a particular trade for a designer to work at the same time for various competitors.



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- 3. A DESIGNER shall treat all work-in-progress, prior to the completion of a project, and all knowledge of a CLIENT'S intentions, production methods, and business organization, as confidential and shall not divulge such information in any manner whatsoever without the consent of the CLIENT. It is the DESIGNER'S responsibility to ensure that all staff members or vendors act accordingly.
- 4. A DESIGNER, who receives CLIENT instructions that involve a violation of the DESIGNER'S ethical standards, should correct the CLIENT or the DESIGNER should refuse the assignment.

Governing Law: This Agreement will be governed by the laws of the State of Pennsylvania. The venue of all proceedings shall be Berks County.

Attorney's Fees: In the event of any dispute arising under the terms, conditions or related to this agreement, whether or not legal suit is brought, DESIGNER shall be entitled to recover all costs incurred including reasonable attorney's fees. In the event either party institute legal proceedings in connection with or for the enforcement of this agreement, the prevailing party shall be entitled to recover the cost of suit, including reasonable attorney's fees, both at trial and appellate level.

Validity of Agreement: If any provision of this agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

Acceptance of Terms: The signature of both parties shall evidence acceptance of these terms.

Entire Agreement: This Agreement contains the entire Agreement between the parties hereto. No modification or amendment to this agreement shall be of any force or effect unless in writing executed by the parties of this agreement. Notwithstanding the forgoing, CLIENT will be bound by oral authorization for additional fees, Production Charges, or Billable Expenses in order to immediately proceed with the work.

Assignment: This Agreement is not assignable by CLIENT without prior written consent of DESIGNER.

DESIGNER Signature

Print Name

Date

CLIENT Signature

Print Name

Date

Designer's Address:
VALHALLA Designs
80 Stone Avenue, Alburtis, PA 18011
Phone/Fax: 610-641-9132
info@valhalledesigns.org

Client's Address:

Upon completion, please sign and fax to: VALHALLA Designs at 610-641-9132

Or, sign and mail to: VALHALLA Designs, 80 Stone Avenue, Alburtis, PA 18011