

INDEPENDENT CONTRACTOR AGREEMENT

By and between
Recognition Concepts, Inc.
And
Independent Contractor- Regional Representative

THIS INDEPENDENT CONTRACTOR AGREEMENT (hereinafter referred to as the "Agreement") is entered into effective this _____ day of _____, 2002 by Recognition Concepts, Inc. (hereinafter referred to as the "Company") and

(Hereinafter referred to as the "Contractor"). Company and Contractor shall sometimes hereinafter be referred to collectively as the "Parties" and individually as the "Party".

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the Parties agree as follows:

1. DEFINITIONS

- A. **Company:** Recognition Concepts, Inc., an Arizona Corporation. The Company designs custom fine art montage artwork, personalized reproductions, and portrait/logo plaques for use as Corporate Recognition Programs, Event Commemoratives and Executive Gifts, as well as for Family Events, Memorials, Weddings and other Special Events, (hereinafter referred to as "services").
- B. **Client:** Families, corporations, associations, and other potential users of the Company's services.
- C. **Client Agreement:** Agreement executed by and between the Company and a Client, under which Clients purchase Company's services for design and development of a custom fine art montage or personalized montage program.
- D. **Contractor's Clients:** Clients of the Company who execute a Client Agreement as a result of the efforts of the Contractor.
- E. **Regional Rep:** (Rep) Independent Contractor who sells all of Recognition Concepts' services on a full time basis directly to Clients, as well as supports Resellers in their territory with materials, training, and sales support.
- F. **Reseller:** Independent Contractor who displays some or all of Recognition Concepts services and promotes Recognition Concepts programs during the course of their existing business.

2. CONTRACTOR'S SERVICES - Contractors shall provide the following services to and on behalf of the Company:

- A. **Promote** the Company's services to potential users and any interested individuals or groups, including:
 - Describing the Company and its services to clients;
 - Market and sell the full line of Recognition Concepts services through direct contacts, trade shows, advertising and PR and support of Resellers using both Company and Contractor resources.
 - Distributing brochures and other materials created by the Company or the Contractor, which describe the services;
 - Encouraging potential users to contact the Company for more information, online demonstrations, help in the preliminary design of a potential art montage;
 - Encouraging potential users to enter into a Client Agreement with the Company;
- B. **Demonstrate** the Company's services to potential users and other interested individuals and groups, including:
 - Describing how Company artist take reference materials provided and develop a custom montage.
 - Explaining the Portrait Individualization process for Corporate Recognition applications.
- C. **Obtain Client Agreements:** Contractor shall obtain executed Client Agreements from new Clients, in a form provided by and acceptable to the Company.
- D. **Assist with start-up:** Contractor shall provide preliminary assistance for new Clients as they begin utilizing the Company's services, but it is understood and agreed that the Company shall provide all consultation, design, reproduction, personalization, framing, and distribution directly to its Clients.
- E. **Encourage utilization:** Contractor shall encourage Clients to make full use of the Company's services including cross selling of other Recognition Concepts programs, add on business such as reproductions of original montages, certificates, Christmas Cards, note cards, and additional projects for corporate customer. Proactively provide Clients feedback to Company.

- 3. COMPANY'S OBLIGATIONS** - The Company shall provide the following:
- A. **Sales and marketing support:** The Company will provide information and consultation as requested by the Contractor for the purpose of promoting the Company's services, including printed and other promotional materials, sample kits, conference calls, joint sales calls, and training. However, the Company shall have full discretion with respect to what sales and marketing support it provides.
 - B. **Production and Distribution:** Company shall provide all required production support, consultation, collection of reference materials, proofs, approvals, and finish artwork for Clients projects..
 - C. **Technical support:** Shall assist in diagnosing Client's needs related to Company's services and offer technical support for all new Clients as needed to access and utilize on-line reference materials submission, proofs, and approvals of artwork.

4. CONTRATOR'S CLIENTS

- A. Contractor's Clients are Clients who have been entered into Client Agreements with the Company as a direct result of the efforts of the Contractor.
- B. Contractor shall be entitled to compensation in accordance with paragraph 5 below.
- C. The Contractor shall notify the Company of potential Clients, which the Contractor will seek to enlist for the Company.
- D. A Contractor shall notify the Company of any new Clients and schedule consultation to begin program.
- E. In the event there is a conflict with prospective Clients between Contractor and Company's Direct Sales Force, services and assignments shall be determined by Company.

5. COMPENSATION TO CONTRACTOR - Contractor shall be entitled to compensation as follows:

- A. Twenty percent (20%) of total invoice revenue received by Company for montage, reproduction, personalization, framing and plaque programs sold (excluding costs of shipping and handling.) referred to Company by Contractor.
- B. Five percent (5%) for all sales made by supported Resellers in Rep's territory as agreed upon in writing by Rep and Company at time of this Agreement. Resellers under Rep's responsibility may be updated in writing at any time, based on Company approval.
- C. The Company shall pay compensation to the Contractor on a monthly basis, based on revenues received by the Company during the proceeding month. Company shall continue to pay compensation to Contractor for all records ordered by Contractor's Clients for a period of one year following the termination of this Agreement set forth in section 8 below.
- D. The parties acknowledge and agree that Company shall have no responsibility (financial or otherwise) to Contractor for any referrals made by Client that were known to or otherwise under consideration by Company prior to or concurrently with the Effective Date of this Agreement.

6. RELATIONSHIP OF THE PARTIES; SERVICES NOT COVERED BY THIS AGREEMENT

The parties agree that the relationship created by this Agreement is an independent contractor relationship and not an employee/employer, principal/agent, partnership, or joint venture, and that the relationship created by this Agreement shall not be interpreted to be anything other than an independent contractor relationship. The Contractor's teaching, demonstrating, promoting and selling services, products and software other than those provided by the Company are not included within the scope of this agreement.

7. CONFIDENTIALITY AND NON-DISCLOSURE

- A. The Contractor shall keep all Company Confidential Information confidential. Company Confidential Information means any information disclosed by Company to the Contractor, either directly or indirectly, in writing, orally or by inspection of tangible objects (including, without limitation, research, product plans, products, services, customers, markets, software, inventions, processes, designs, conceptual drawings, marketing or finances documents. Information communicated orally shall be considered Confidential Information. Contractor is expressly not entitled to information, which identifies the providers from whom the Contractor's Clients requested records, but is only entitled to data on the number of records ordered by Contractor's Clients.
- B. The Contractor agrees that it will use such Confidential Information solely and exclusively for the purpose of the performance of this Agreement, that it will keep such information strictly confidential, and that it will not duplicate, disclose, disseminate, reverse engineer or use such information to any person other than for any purpose of performing this Agreement. The Contractor further agrees that it will not use any such Confidential Information to compete with the Company in any way, directly or indirectly, either before or after the termination of this Agreement. The Contractor recognizes that its failure to abide by the provisions of this subparagraph B will cause substantial loss and irreparable harm to the Company and that, in the event of such a violation, the Company would be entitled to appropriate injunctive relief.

- C. Upon termination of this Agreement, the Contractor will return to the Company all documents, items and materials, in their entirety, relating in any way to the Company, its Clients, and the services.

8. DURATION OF AGREEMENT AND TERMINATION

This Agreement shall commence on the Effective date and continue for a period of _____. Either party, upon thirty (30) days written notice, may terminate this Agreement for any reason, except that the Company shall continue to pay compensation to Contractor for all records ordered by Contractor’s Clients for a period described above in paragraph 5. Notwithstanding the forgoing, either Party may terminate this Agreement immediately upon written notice in the event of fraud, misrepresentation, or gross negligence. Notwithstanding anything contained in this Agreement to the contrary, the Contractor shall not be entitled to receive any compensation following termination of this Agreement if the Agreement is terminated because of the Contractor’s fraud, misrepresentation, or gross negligence.

9. INDEMNIFICATION

- A. Company hereby agrees to indemnify, defend, and hold harmless the Contractor, and each of the Contractor’s partners and employees, from and against any and all claims, demands, expenses, losses, liabilities, causes of action, defense costs, and the like which are or may be asserted by anyone relating to, arising out of, or in any way associated with the Company’s gross negligence or willful misconduct. .
- B. Contractor hereby agrees to indemnify, defend, and hold harmless the Company, and each of the Company’s shareholders, officers, directors and employees, from and against any and all claims, demands, expenses, losses, liabilities, causes of action, defense costs and the like which are or may be asserted by anyone relating to, arising out of, or in any way associated with the Contractor’s acts or omissions, including, but not limited to, any misrepresentations made to any of the Contractor’s Clients or any other person.

10. COMPLETE AGREEMENT; AMENDMENTS

This Agreement comprises the entire scope of all matters to which the Parties have agreed, and no other agreement shall be enforceable unless it is written and executed by the Parties. This Agreement supercedes all prior and contemporaneous agreements between the Parties, whether written or oral, with respect to the subject matter herein. Amendments to this Agreement shall be written and executed by the Parties.

11. ASSIGNMENT

This agreement shall be binding upon the parties and their respective successors and assigns. This Agreement and the obligations of each Party may not be assigned or transferred without prior written consent by both Parties.

12. GOVERNING LAW

The laws of the State of Utah shall govern all aspects of interpreting and implementing this Agreement, without reference to the principles of conflicts of laws. The Parties may submit any dispute to arbitration or mediation, upon mutual agreement.

13. INTELLECTUAL PROPERTY

No rights, licenses or ownership, express or implied, are granted to the Contractor with respect to any asset, proprietary information, software, source code, formula, procedure, trade secrets, patent, trademark, service mark, trade name, copyright or other intellectual property rights belonging to the Company.

IN WITNESS WHEREFORE, the Parties have caused the Agreement to be executed by their duly authorized representatives as of the date above first referenced.

COMPANY: **Recognition Concepts, Inc.** an Arizona corporation

By: _____

Title: _____

CONTRACTOR: _____

By: _____

Title: _____