

SERVICE AGREEMENT
between
Z-Kal Imagery
and
COMPANY

This Service Agreement (“Agreement”) between

Z-Kal Imagery a Michigan Corporation with a place of business at 04240 22nd Street, Otsego, Michigan 49078 (“Z-Kal”) and

COMPANY with an office of business at INSERT ADDRESS HERE (“COMPANY NAME”),

when signed by all parties, is effective as of the date of last signature below (“Effective Date”).

Z-Kal and COMPANY NAME agree as follows:

1. Scope of Work

1.1 Services. Z-Kal will provide COMPANY NAME with the services described in Exhibit A (the “Services”) which is attached hereto and incorporated into this Agreement by reference. Exhibit A may be amended, from time to time during the term of this Agreement, in writing, by the mutual agreement of the parties.

1.2 **OPTIONAL:** Requirements. COMPANY NAME’s requirements for the Services are set forth in Exhibit B, which is attached hereto and incorporated into this Agreement by reference.

2. Performance of Services

2.1 Timing and Location. Z-Kal will perform the Services at times and places jointly determined by Z-Kal and COMPANY NAME. If necessary to perform the Services, Z-Kal may visit COMPANY NAME’s facility and confer with appropriate Z-Kal employees at mutually convenient times during normal business hours.

2.2 Standards. Z-Kal will provide the Services in accordance with this Agreement and its Exhibits and will

a) use reasonable care,



- b) comply with all applicable laws and governmental regulations,
 - c) **OPTIONAL:** maintain all licenses, certifications, permits and authorizations required to provide the Services,
 - d) adhere to all current professional standards, and
 - e) use its best efforts to meet Z-Kal's reasonable satisfaction.
- 2.3 Supplies. Unless otherwise agreed in writing, Z-Kal, at its sole expense, will provide all of the equipment, tools, materials, and supplies necessary to accomplish the Services.
- 2.4 Use of Third Party Intellectual Property. In the performance of the Services, Z-Kal will not knowingly misappropriate, misuse, or infringe any valid patents, trade secrets, copyrights, or other intellectual property of any third party.
- 2.5 No Proprietary Information. In providing Services under this Agreement, COMPANY NAME will not provide Z-Kal with any proprietary information.
- 2.6 Conflicts of Interest. Z-Kal certifies that it has no conflicts of interest that have not been fully disclosed to and waived by COMPANY NAME and the other affected parties.
3. Independent Z-Kal
- 3.1 Relationship of the Parties. The relationship of COMPANY NAME to Z-Kal is one of independent Z-Kal and not one of partnership, agent and principal, employee and employer, joint venture, or otherwise.
 - 3.2 Direction. Z-Kal will not be subject to the supervisory direction of COMPANY NAME in regard to the performance of the Services, nor will COMPANY NAME supervise any Z-Kal employees. COMPANY NAME will provide adequate information regarding the Services, and any documentation that Z-Kal requires to perform the Services.
 - 3.3 Taxes and Withholding. Z-Kal is responsible for paying the salaries and benefits of its employees, and for providing its employees with workers' compensation insurance. Z-Kal is also responsible for withholding or paying all required federal and state taxes and for complying with all employment-related laws. COMPANY NAME will not withhold any federal, state, or local income tax or payroll tax of any kind on behalf of Z-Kal, nor will COMPANY NAME treat Z-Kal as an employee for any purpose.



3.4 Authority. Neither party has the authority to bind or obligate the other in any way, nor will it represent that it has such authority.

4. Compensation

4.1 Fees. COMPANY NAME will compensate Z-Kal at a rate of \$ 50 per hour during which Services are provided. Payment for partial hours of Services will be on a pro rata basis.

- a. COMPANY NAME will make no payments under this Agreement until Z-Kal has an executed original of this Agreement.
- b. Within ten working days after the end of each month during which the Z-Kal provides the Services, the Z-Kal will submit an invoice to COMPANY NAME. Each invoice must specifically identify the dates and nature of the Services rendered and fees earned.
- c. Unless COMPANY NAME disputes either the amount of an invoice or that the Services were delivered, COMPANY NAME shall pay each such invoice within 30 days of its receipt.
 - 1) If COMPANY NAME disputes an invoice or any portion of an invoice, COMPANY NAME will pay the undisputed amount within 30 days of its receipt of the invoice and the disputed amount within 30 days after Z-Kal and the COMPANY NAME, acting in good faith, resolve the dispute.

4.2 Travel Expenses. COMPANY NAME will also reimburse Z-Kal for reasonable travel expenses for travel authorized by COMPANY NAME and required to perform the Services.

- a. Z-Kal will submit an invoice to COMPANY NAME detailing such travel expenses, accompanied by all original expense receipts.
- b. COMPANY NAME will reimburse travel expenses within 30 days after receipt of the appropriate invoice and accompanying receipts.

5. Copyrightable Material

5.1 Assignment. Z-Kal assigns and agrees to assign to COMPANY NAME all interest in any copyrightable material that Z-Kal develops (alone or jointly with others) in connection with the Services.



- 5.2 Delivery. Z-Kal will deliver any such copyrightable material to COMPANY NAME within ten days of completion of the Services or termination of this Agreement, whichever comes first.
6. Use of Information and Services. Without further obligation or payment to Z-Kal, COMPANY NAME may use the results of the Services and all other work products delivered under this Agreement for any purpose.
7. Indemnification
- 7.1 By Z-Kal. Z-Kal will indemnify and hold COMPANY NAME, its officers, directors, employees and agents, harmless from any third party claims, fines, or penalties against COMPANY NAME (including reasonable costs of defense) that arise directly or indirectly from Z-Kal's performance of the Services, except to the extent that such claims, fines, or penalties were caused by COMPANY NAME's negligence, willful misconduct, or failure to comply with its obligations under this Agreement.
- 7.2 By COMPANY NAME. COMPANY NAME will indemnify and hold Z-Kal, its officers, directors, employees and agents, harmless from any third party claims against Z-Kal (including reasonable costs of defense) that arise directly or indirectly from COMPANY NAME's negligence or willful misconduct in the performance of its obligations under this Agreement, or from COMPANY NAME's use, or a third party's use pursuant to COMPANY NAME's authority, of any documents or materials provided by COMPANY NAME under this Agreement, except to the extent that such claims were caused by Z-Kal's negligence, willful misconduct, or failure to comply with its obligations under this Agreement. The foregoing notwithstanding, and regardless of the legal theory involved, Z-Kal will not be liable for any consequential, incidental, special, or other types of claims, damages, or losses, including, without limitation, lost profits, lost sales, lost orders, lost income, down time, increased overhead, labor and material costs, and costs of manufacturing variances, or operational inefficiencies, even if Z-Kal was advised of the possibility of any such claims, damages, or losses.
- 7.3 Notification and Cooperation. If either party seeks indemnification under these provisions, it must
- a. notify the other party within 15 days of receipt of notice of the claim, fine, or penalty, and



b. cooperate fully with the other party in the defense of the claim.

7.4 Settlement and Compromise. No settlement or compromise of a claim subject to this indemnification provision will be binding on the party providing indemnification without that party's prior written consent. The indemnifying party will not unreasonably withhold such consent of a settlement or compromise.

8. Insurance. COMPANY NAME will carry and maintain during the term of this Agreement, at its own expense, insurance coverage of the kind and with liability limits acceptable to Z-Kal to protect itself and Z-Kal from and against any claims or liabilities that may arise directly or indirectly from COMPANY NAME's performance of the Services.

9. Assignment and Delegation. Any attempt by Z-Kal to assign its rights or delegate or subcontract any of its duties under this Agreement without written permission from COMPANY NAME is invalid. If COMPANY NAME approves delegation or subcontracting, Z-Kal remains responsible to COMPANY NAME for the performance of those delegated or subcontracted Services just as though Z-Kal had performed them itself.

10. No Use of Name. Neither party will use the name of the other party, or any of its personnel, in any public disclosure without prior written permission from the other party.

11. Notices. The parties will deliver notices and other communications relating to this Agreement by hand, by courier, by a postage-paid traceable method of mail delivery, or by facsimile (so long as the equipment used can document successful transmission to the intended telephone number) to the address (facsimile number) below, or such other address (facsimile number) that a party may later designate.

	<u>If to COMPANY NAME</u>	<u>If to Z-Kal</u>
Name		David C. Zimmermann
Address 1		04240 22 nd Street
Address 2		Otsego, Michigan
City, State, Zip		49078
Country		USA



12. Term and Termination

12.1 Term. This Agreement will remain in effect for a period of one year from Effective Date or until COMPANY NAME has compensated Z-Kal for all Services rendered under this Agreement, whichever occurs first.

12.2 Extensions. This Agreement may be extended by mutual agreement of the parties. Any extension will be executed as a written Amendment to this Agreement.

12.3 Early Termination. This Agreement may be terminated early by

- a. mutual agreement of the parties, evidenced by a writing,
- b. 30-day advance written notice by either party to the other, or
- c. immediately upon notification by COMPANY NAME if Z-Kal, through no fault of COMPANY NAME, has failed to perform the Services in accord with the terms of this Agreement.

12.4 Obligations Surviving Termination. Obligations relating to Compensation, Confidential Information, Intellectual Property, Use of Information and Services, Indemnification, Insurance, and Use of Name will survive termination of this Agreement.

ACCEPTED AND AGREED TO:

Z-Kal Imagery, Inc.

COMPANY NAME

By: _____

By: _____

Printed Name: David C. Zimmermann

Printed Name:

Title: President and CEO

Title:

Date: _____

Date: _____