

(letterhead)

September 1, 0000

Mr. A. Longshoreman
Vice President, Marketing
Lakefront Shipping Corporation
485 North Fairfax
Buffalo, NY 14702

Dear Mr. Longshoreman:

This letter, when signed by you, appoints us as (an) (your exclusive) agent for the advertising of (all your) (insert specific) products. As used herein, “advertising” pertains to the purchase of all promotional media and the production of all materials to be used therein. This includes, but is not limited to, newspaper and magazine space, and radio and television broadcasting time. For the purposes of this agreement it shall specifically exclude [list media—e.g., billboards].

As an independent contractor, we agree to devote our best efforts to producing the most cost-effective advertising for your company. We further agree not to act as advertising agent for any products or services directly competitive with yours without your consent for the period of this agreement.

In return, you agree to make available to us the information we need pertaining to your markets, products and plans, and to cooperate with us in every reasonable way.

Services

We shall provide services customarily performed by advertising agencies. However, no services shall be performed unless and until we have received your prior authorization. A non-inclusive list of some of the services that will be provided on request include:

Analysis. We will analyze your marketplace activities, effectiveness, and opportunities.

Plan. We will prepare advertising programs for your approval based upon our analysis and your objectives and budget.

Production. We will conceive and produce materials appropriate to the approved advertising program.

Media. We will negotiate with the appropriate media and arrange for space and time as needed to carry out the agreed-upon advertising program.

Service. We will perform all necessary and related services to properly carry out your advertising program.

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Compensation

Our compensation will be derived from fees charged for providing the services outlined above, or such other services as you may authorize. Our service fees are as follows:

Senior talent—principally planning and creative concepts:

\$175 per hour.

Mid-level talent—principally creative executions, media and account service: \$120 per hour.

Junior talent—principally alterations and changes: \$100 per hour.

Clerical and administrative services: \$45 per hour.

Outside purchases—photography, illustrations, talent, color separations, etc.—will be billed (at cost) (at cost plus 25 percent markup).

Expenses incurred in travel will be billed at cost.

Our service and expense fees will be billed monthly. Our payment terms are net 30.

Media billing

Subject to your approval, we will place advertisements in the media agreed upon. Billing from the media will be directly to (company). You agree that (agency) is not responsible for any charges for media placed with your approval. Any commissions that may be earned by (agency) from media placed for you will be credited against our service fees.

Indemnification

We agree to indemnify and hold (company) harmless against any and all claims, liabilities or damages which arise 1) from dealings between us and third parties, and 2) the preparation and presentation of advertising. This indemnification shall include the costs of litigation and counsel fees.

You agree that we shall not be liable to (company) as the result of any default of suppliers of materials and services, or owners of media or other persons who are not our employees or agents.

Personal nature

This contract is between (company) and (agency) and neither party can delegate or assign any of its rights or duties to anyone else without the written consent of the other party.

Arbitration of disputes

(Company) and (agency) agree that any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration

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in accordance with the rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

Termination

Either party may terminate this contract by giving the other party written notice at least 90 days before the effective date of termination.

No work in progress shall be completed unless requested by you. All contractual obligations in accordance with this contract shall remain in effect with respect to the winding down of all contractual relations. We will attempt to assign all of our contracts with third parties on your behalf.

We will deliver to you all papers and other materials related to the work performed in accordance with this contract. You agree to pay all reasonable costs of storage or transport of such items.

Period

(This agreement shall continue thereafter until terminated by either party.)

(This agreement is for a one year period beginning on [date] and concluding on [date].)

Sincerely,

Mal Content
Executive Vice President
Supervisor of Shipping Accounts
Overlooked Advertising

Accepted:

Mr. A. Longshoreman
Vice President, Marketing
Lakefront Shipping Corporation