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# EXECUTIVE SUMMARY

## MISSION STATEMENT

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OUR GOAL IS TO PROVIDE INNOVATIVE  
TECHNIQUES TO ORGANIZATIONS FOR IMPROVED  
COMMUNICATION WITH THEIR CURRENT AND  
FUTURE EMPLOYEES.

**ENTERTRAINMENT** will provide cinematic training videos that engage viewers for use during company training processes. We will also include interactive components such as corresponding games, applications, digital text, as well as printed materials for simultaneous use with the video training.

Target customers that will be Industry Trade Associations. These associations contain organizations that are larger than a single storefront business but not large enough to have their own in-house training program.



**NATALIE COLEMAN**  
INTERACTIVE CONTENT DEVELOPER



**TAUNIE REDDINGTON**  
COMPANY PRESIDENT & FOUNDER



**KESHA TRAN**  
CLIENT SERVICES LIAISON



**MAGGIE GUTIERREZ**  
DIRECTOR OF PRODUCTION

## MEET THE CREW!

We aim to create captivating and engaging instructional videos that help form trusting relationships between organizations and their employees with professional and entertaining techniques that revolutionize the training experience. We are an LLC, hybrid type of legal structure that provides the limited liability features of a corporation and the tax efficiencies and operational flexibility of a partnership.

# MARKET ANALYSIS



## OUR INDUSTRY

Motion Picture and Video Production  
(Instructional Video Production)

## OUR CUSTOMER

Cooperative & Industry Trade Associations

## OUR COMPETITORS

Quickbase (Training Management)  
Poll Everywhere (Quiz & Poll Interaction)  
Heartwood (3D Interactive Training)

## OUR ADVANTAGE

Unlike others, we are providing purpose-built content to solve specific training problems within small industries. The creation of the training videos are different and creative, but also the way in which we deliver the the application; through a mobile app.

## REGULATIONS

Some regulations that our company will need to be knowledgeable about are Company or Trade Association regulations, OSHA regulations, as well as copyright law.

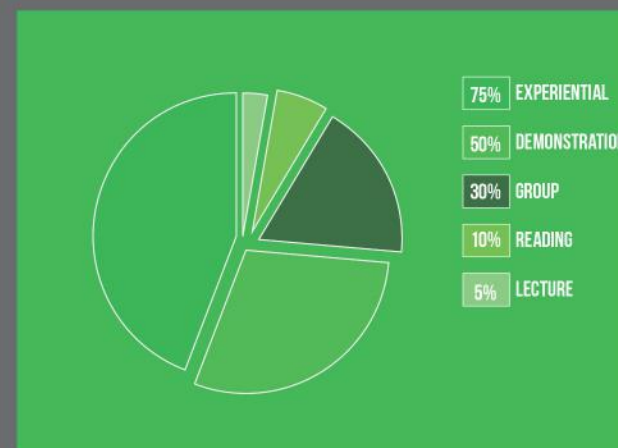
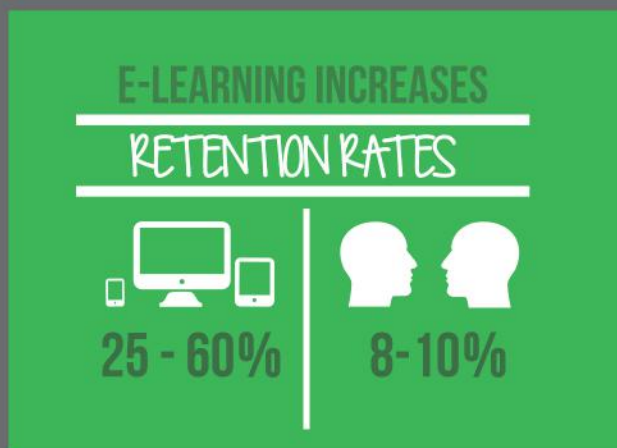
# TRAINING IS A CRITICAL PART OF ANY JOB.

Statistically, **80% of all unsuccessful training fails due to disengagement** and **90% of traditional training is forgotten** within one year (Grove).

**ENTERTRAINMENT** *provides a solution for mundane and uninteresting training programs.*

We offer an interactive and exciting way to present information and create an environment where the learner's chances of retention are higher.

We've found that mobile-learning products and services are expected to reach a value of \$12.2 billion in 2017 worldwide (eLearningindustry). Enterainment includes digital workbooks, hosted online resources, interactive games and applications – all with measureable results.



# PRODUCTS & SERVICES



Our products and services are in its maturity stage. This means that the service exists and the market is established. We own the rights to our **ENTERTRAINMENT** training videos and mobile application.

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## **Research & Development**

Research will be concerned with safety training regulations as well as the organization's own regulations. We will be planning with the industry to develop training videos and guidelines with their company involved.



# PRICING STRUCTURE

## HOW WE FRAME UP OUR PRICES:



**BRONZE**

Includes our bare minimum services within the mobile app, without any customization.

This package will be a group-centered training orientation with basic regulations that all companies are required.



**SILVER**

Includes a customized training package and mobile app.

This package will be individual-centered training orientation with company-specific regulations.



**GOLD**

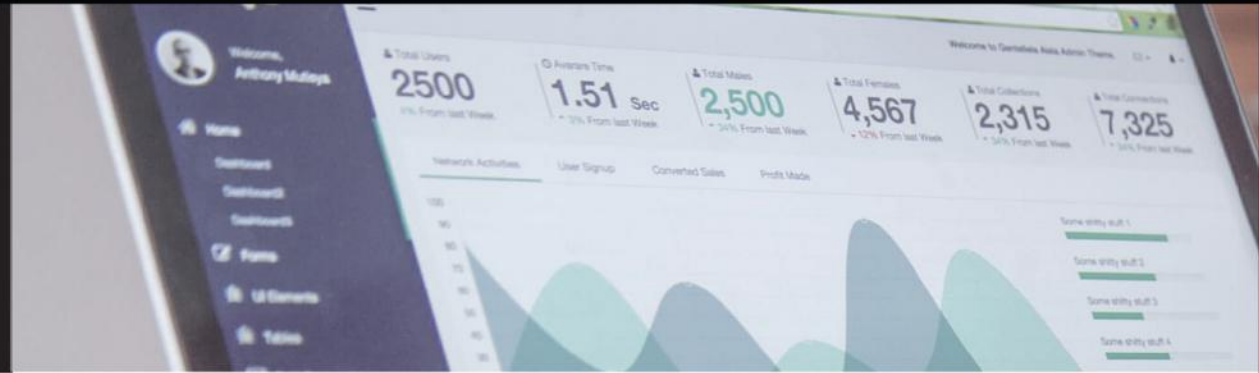
Includes full serviced customization and unlocks all features on the mobile app.

This package will include both services and products included in the previous packages.

Clients can choose from three different starter options to use as a foundation for building their customized training product packages.



# BUSINESS FINANCIALS



## OUR INDUSTRY

Motion Picture and Video Production (Instructional Video Production)

## WHAT IS YOUR PLAN TO GROW YOUR COMPANY?

Our market strategy is to pursue industries that are missing a training development strategy and are in need of an improved training program.

## HOW WILL YOU COMMUNICATE WITH YOUR CUSTOMERS?

A strong SEO presence, reach out to companies that are in need of our services, set up conference calls and show them what we offer and how it can benefit them time and financials.

## HOW WILL YOU SELL YOUR PRODUCT OR SERVICE?

Distribution channel will be an internal marketing development team. The team will pursue clients and sell our service to them.

EnterTRAINment					
SIZE:	UNITS:	PRODUCT CLASS:	RESOLUTION:	SQ. FT.:	OTHER:
				1137	
PERFECTING:	COLORS:	INTERFACES WITH:	MAX. SPEED:	POWER:	
				hp: -- kWhs: 0	

COMPLEMENT	WAGES-1 SHIFT
President	\$140,735
Client Services Liaison	\$76,730
Interactive Content	\$97,768
Director of Production	\$118,034
Content Writer	\$65,061
Other	\$263,473
# Workers Per Shift: 10	Total: \$761,801

BASE COST OF EQUIPMENT:	47621.34
AUXILIARY EQUIP. COST:	n/a
ESTIMATED INSTALLATION:	7500
<b>TOTAL INVESTMENT COST:</b>	<b>\$55,121.34</b>

Equipment  
Shipped F.O.B.:

BASE COST ABOVE INCLUDES	
See Equipment List	

AUXILIARY EQUIPMENT INCLUDES	

**HOURLY COSTS: ONE SHIFT - AREA B**

Annual Manned Hours @ 100% Productivity: **1,925**

1. Depreciation.....	33.34	% (annually).....	\$ 18,377
2. Rent & Heat.....	\$16.50	(per sq. ft. annually)...	18,761
3. Fire Insurance.....	\$4.00	(per K of invest.).....	220
4. Direct Labor.....	from total wages above		761,801
5. Indirect Labor.....	0	% (of direct labor).....	0
6. Pension Fund.....	3	% (of direct labor).....	22,954
7. Welfare Benefits....	\$41.00	(per wk./per employ.)	21,320
8. Payroll Taxes.....	8.3	% (dir. + indir. labor)	63,229
9. Workers Comp.....	\$23.00	(per \$1,000 of wages)	17,521
10. Power (hp).....	\$0.00	(your cost per kWh)...	0
11. Power (kWh).....	\$0.00	(your cost per kWh)...	0
12. Direct Supplies....	\$5,000	Annually.....	5000
13. Repairs/Maint.....	5%	(of total invest.).....	2,756
14. Sub-total.....	sum of lines 1-to-13		\$ 931,840
15. General Factory.....	0%	(of line 14).....	0
16. Total Manuf. Costs.....	sum of lines 14 + 15		\$ 931,840
17. Admin./Selling Overhead...	22%	(of line 16).....	205,005
18. Total Costs.....	sum of lines 16 + 17		\$ 1,136,845

19. Manufacturing Hourly Costs @ These Productivity Levels	85 %	\$ 569.50
	75 %	645.43
	60 %	806.79
20. All-Inclusive Hourly Costs @ These Productivity Levels	85 %	\$ 694.79
	75 %	787.43
	60 %	984.28

CATEGORY	YEAR 1	YEAR 2	YEAR 3
Sales	\$1,085,000.00	\$1,117,550.00	\$1,151,076.50
Cost of goods sold	\$597,597.00	\$615,524.91	\$633,990.66
<b>GROSS PROFIT</b>	<b>\$487,403.00</b>	<b>\$502,025.09</b>	<b>\$517,085.84</b>

## OPERATING EXPENSES

Salary (office & overhead)	\$301,379.00	\$301,379.00	\$301,379.00
Payroll (taxes, etc.)	\$63,229.00	\$63,229.00	\$63,229.00
Outside services	\$35,750.00	\$35,750.00	\$35,750.00
Supplies (office & operation)	\$5,000.00	\$5,000.00	\$5,000.00
Repairs & maintenance	\$2,883.00	\$2,883.00	\$2,883.00
Advertising	\$-	\$-	\$-
Car, delivery & travel	\$-	\$-	\$-
Accounting & legal	\$336.00	\$336.00	\$336.00
Rent	\$18,761.00	\$18,761.00	\$18,761.00
Telephone	\$-	\$-	\$-
Utilities	\$1,079.00	\$1,079.00	\$1,079.00
Insurance	\$44,174.00	\$44,174.00	\$44,174.00
Taxes (real estate, etc.)	\$-	\$-	\$-
Interest	\$-	\$-	\$-
Depreciation	\$19,226.00	\$19,226.00	\$19,226.00
Other expenses	\$-	\$-	\$-
<b>TOTAL EXPENSES</b>	<b>\$491,817.00</b>	<b>\$491,817.00</b>	<b>\$491,817.00</b>

<b>NET PROFIT BEFORE TAXES</b>	<b>\$(4,414.00)</b>	<b>\$10,208.09</b>	<b>\$25,268.84</b>
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Income Taxes	\$0.00	\$0.00	\$0.00
<b>NET PROFIT AFTER TAX</b>	<b>\$(4,414.00)</b>	<b>\$10,208.09</b>	<b>\$25,268.84</b>

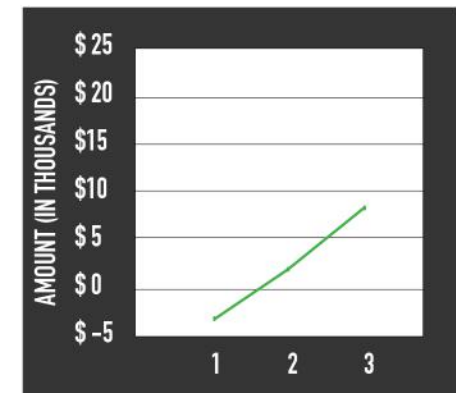
Owner draw or dividends	\$0.00	\$2,000.00	\$4,000.00
<b>ADJUSTED TO RETAINED</b>	<b>\$(4,414.00)</b>	<b>\$8,208.09</b>	<b>\$21,268.84</b>

## WHY INVEST?

With an initial investment we could return a profit after our second year and will be able to provide our investors with a return.

The operating expenses shown are based on a large project that would require our production facilities at 100%.

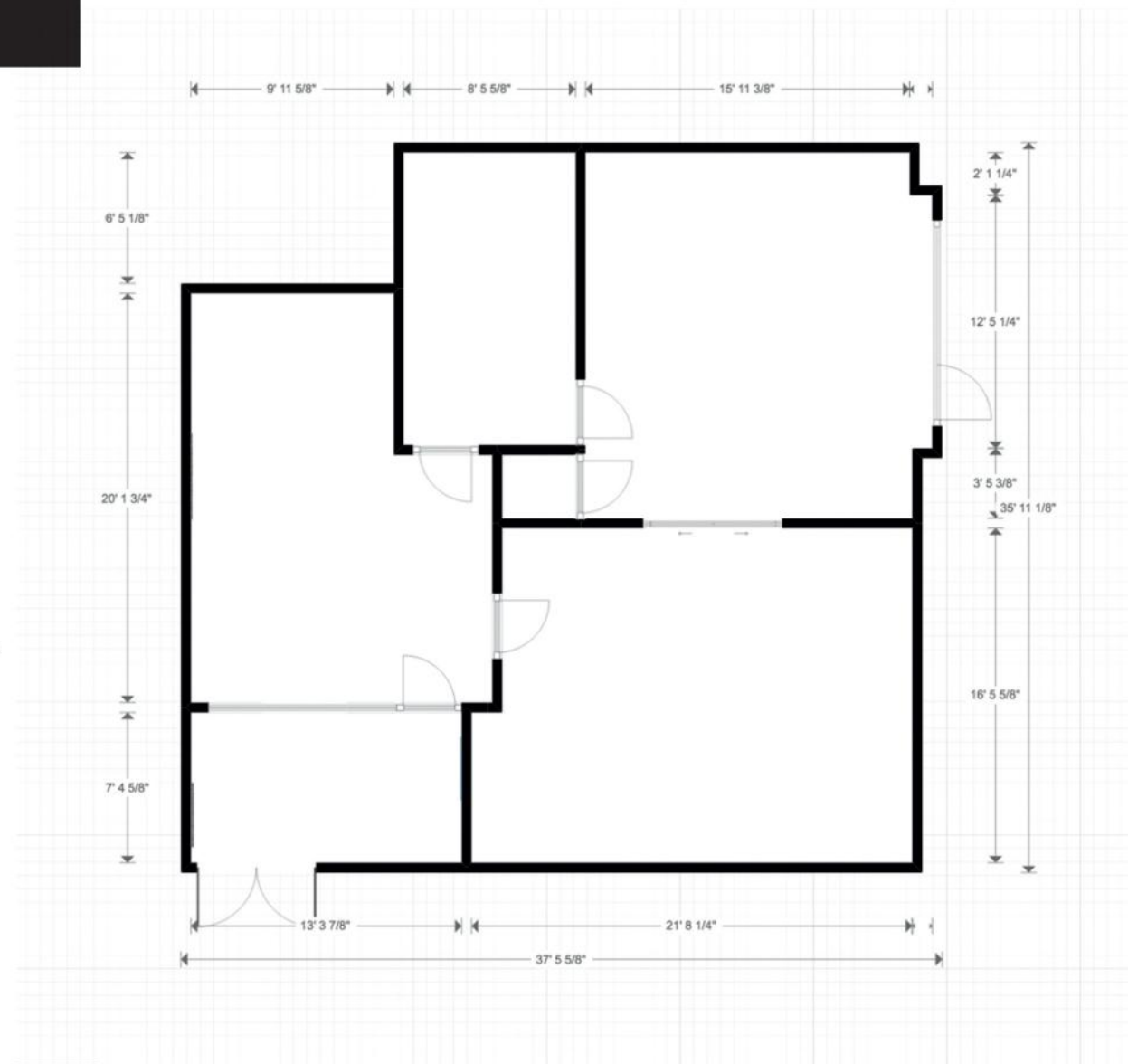
## DIVIDENDS

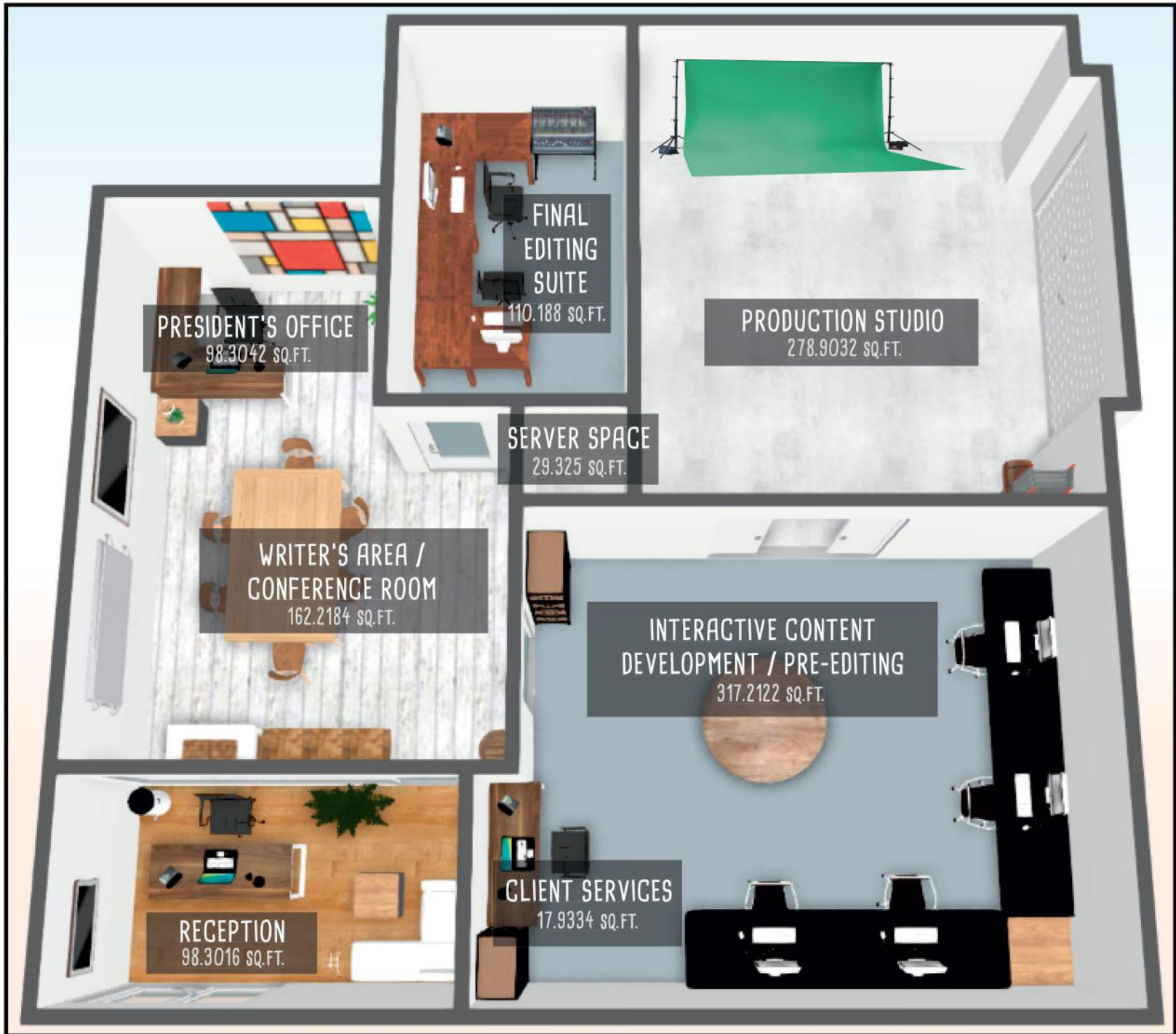


# OFFICE FLOORPLAN

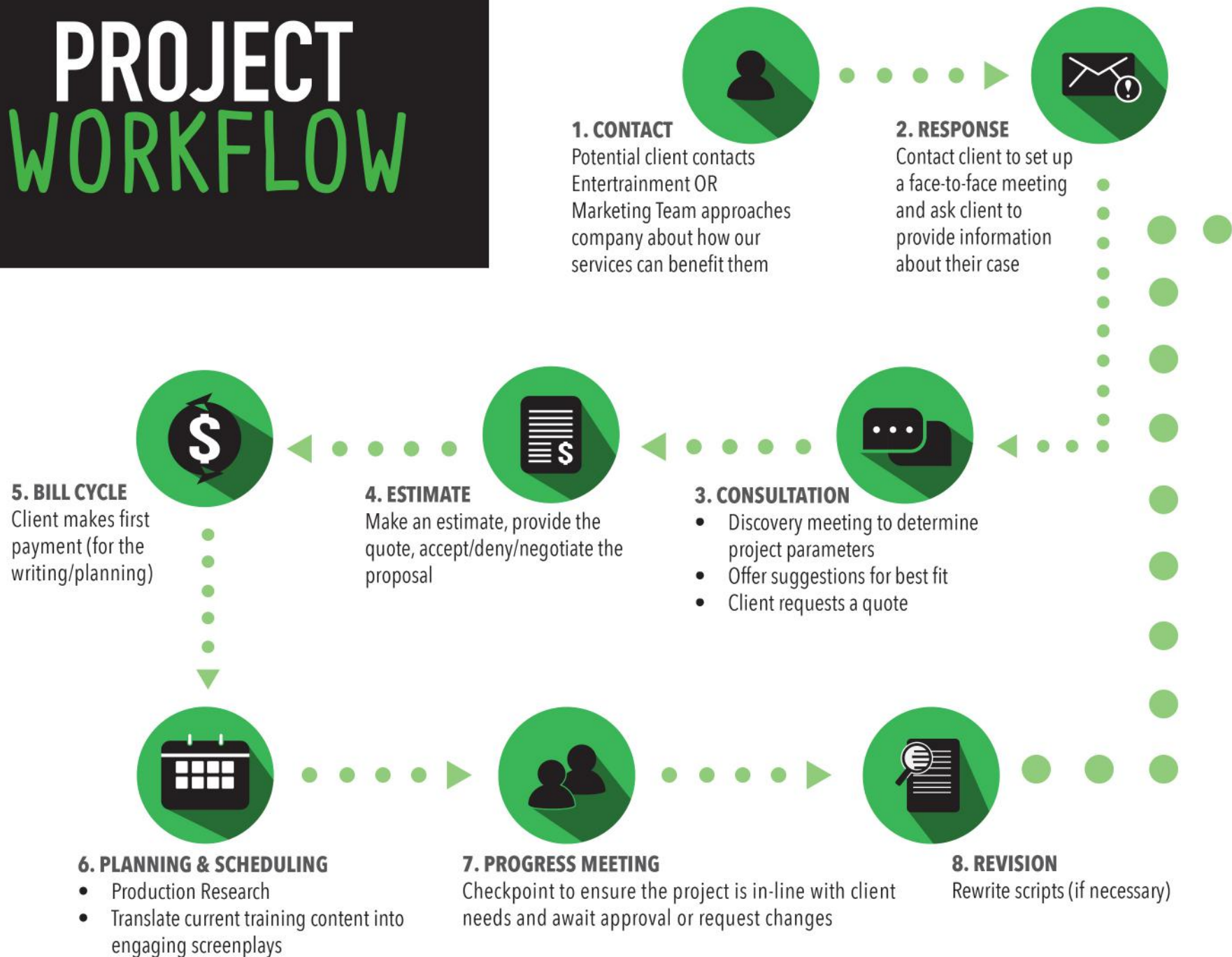
**10435 Greenbough**  
**Stafford, TX 77477**  
**\$16.50/SQ FT/YEAR**

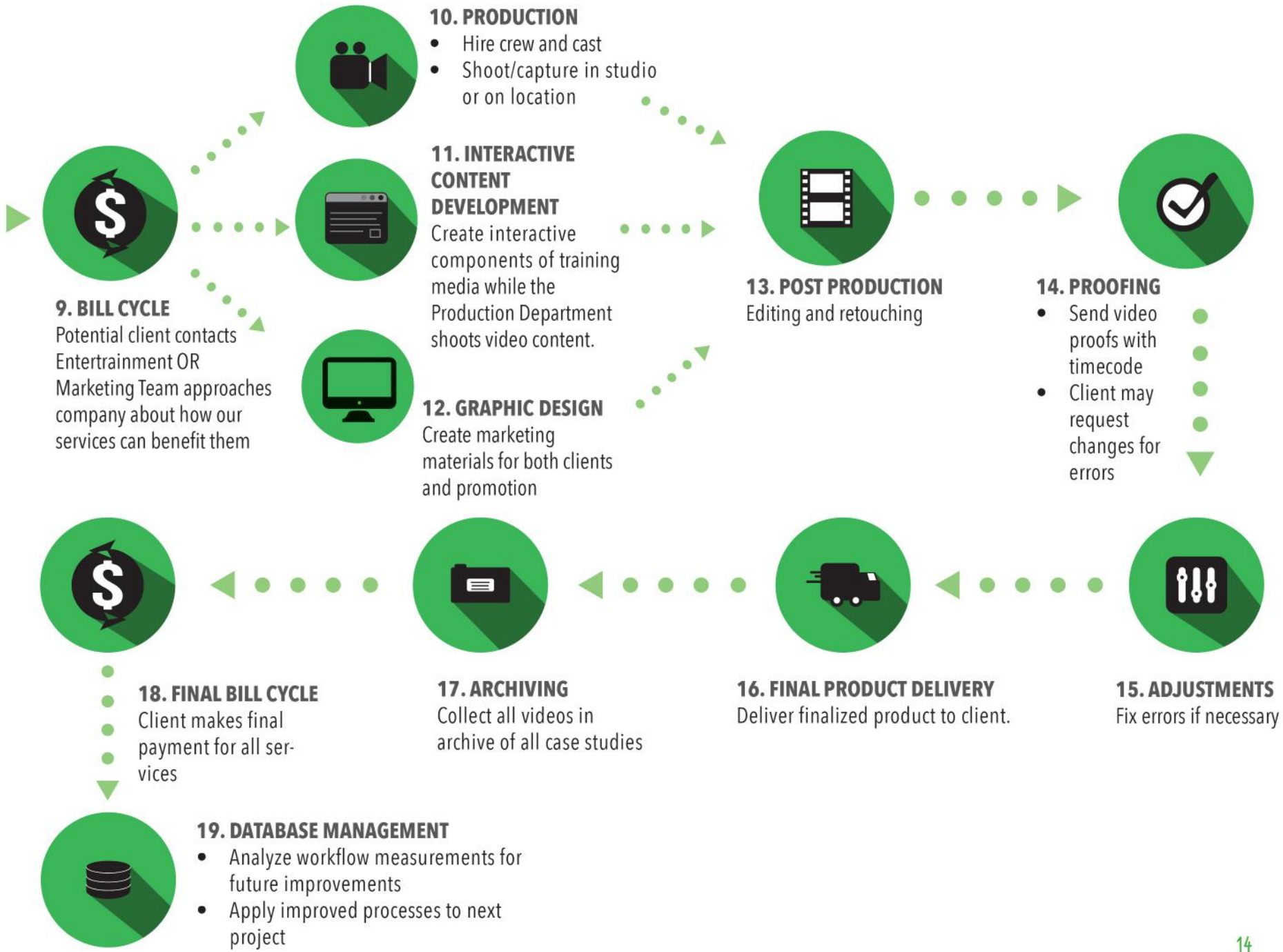
**Lease Type: Full Service**  
**(electricity/utilities included,**  
**bathrooms available**  
**in lobby)**





# PROJECT WORKFLOW





# EQUIPMENT LISTS



## WRITING CENTER

EQUIPMENT	PRICE	#	TOTAL	SPECIFICATIONS
Laptops	\$679.99	4	\$2,719.96	HP Pavilion 13-s128nr x360 13.3-Inch Full-HD 2-in-1 Laptop (Core i5, 8GB RAM, 128GB SSD) w/ Windows 10
Printer/Scanner/Fax	\$143.96	1	\$143.96	HP OfficeJet Pro 8710 Wireless Color Inkjet All-In-One Printer, Scanner, Copier, Fax, M9L66A (includes 2yr warranty)
Table and 6 Chairs	\$580.20	1	\$580.20	IKEA BJURSTA / HENRIKSDAL
Capture Board	\$763.94	1	\$763.94	Smart Kapp 84"
Smart Television	\$696.00	1	\$696.00	Samsung 40" Class (40.0" Actual Diagonal Size) 4K UHD Smart TV
TOTAL			\$4,904.06	

## NON-PRODUCTIVE CENTERS

EQUIPMENT	PRICE	#	TOTAL	SPECIFICATIONS
President chair	\$99.00	1	\$99.00	High Back Office Chair PU Leather Executive Ergonomic Swivel Lift, Black
Recetionist chair	\$54.00	2	\$108.00	RelaxZen 2-Motor Mid-Back Leather Office Massage Chair, Multiple Colors
PC	\$379.00	3	\$1,137.00	Dell - Inspiron 19.5" Touch-Screen All-In-One - Intel Pentium - 4GB Memory - 1TB Hard Drive - Black
Futon	\$148.67	1	\$148.67	Aria Futon Sofa Bed, White
Plant/Décor	\$19.99	3	\$59.97	FEJKA Artificial potted plant with pot
Smart LED TV	\$177.99	1	\$177.99	Samsung 32" Class (31.5 Actual Diagonal Size) 720p Smart LED TV
Corner Computer Desk	\$319.00	1	\$319.00	Bush Cabot 60" Corner Computer Desk with Hutch, Espresso Oak
Secretary Desk	\$76.99	1	\$76.99	Accentuations by Manhattan Comfort Lazio Classic Secretary Desk in White
5-Shelf Bookcase	\$80.00	2	\$160.00	Better Homes and Gardens Ashwood Road 5-Shelf Bookcase, Multiple Finishes
Acrylic Display Tower Case	\$75.00	1	\$75.00	(JW-AD-F6804BK) ROXY DISPLAY Acrylic Display Tower Case
TOTAL			\$2,361.62	





## VIDEO PRODUCTION CENTER

EQUIPMENT	PRICE	#	TOTAL	SPECIFICATIONS
Camera Body	\$3,495.00	1	\$3,495.00	Blackmagic Design URSA Mini 4K Digital Cinema Camera (PL-Mount)
Zoom Lens	\$4,499.00	1	\$4,499.00	Tokina Cinema 50-135mm T3.0 with PL Mount
Prime Lens Kit	\$12,499.00	1	\$12,499.00	Sony CineAlta 4K Six Lens Kit (PL Mount)
Tripod	\$799.85	1	\$799.85	Manfrotto 504HD Head w/546B 2-Stage Aluminum Tripod System
LED 3-Light Kit	\$1,699.00	1	\$1,699.00	ikan IB508-v2 Bi-Color LED 3-Light Studio Kit
Green Screen	\$174.92	1	\$174.92	Chromakey Green Screen Lighting Kit 10' x 20' Muslin 9' x10' Background GLC006
Soundproofing	\$159.00	1	\$159.00	Acoustimac Soundlock™ Mass Loaded Vinyl 2lb Soundproofing barrier roll 50 sqft 12.5' x 4'
Pelican Camera Case	\$109.99	1	\$109.99	Pelican Action Camera Case
Pelican Lens Case	\$349.95	1	\$349.95	Pelican 1510 6-Lens Carry-On Case
Monitor	\$1,895.00	1	\$1,895.00	17-INCH STUDIO MONITOR w/HDSDI
Follow Focus	\$299.00	1	\$299.00	CAME-TV FF-01 Follow Focus System with A/B Hard Stops for 15mm Rod
Handle	\$81.00	1	\$81.00	Movcam Top Handle for Blackmagic Pocket Cinema Camera
Wireless transmitter	\$200.00	1	\$200.00	Brite-View Air Sync HD wireless transmitter
Camera batteries	\$1,269.95	1	\$1,269.95	Anton Bauer Digital 90 Two-Battery Kit for URSA with Charger (Gold Mount)
<b>TOTAL</b>			<b>\$27,530.66</b>	







## INTERACTIVE CONTENT DEVELOPMENT CENTER

EQUIPMENT	PRICE	#	TOTAL	SPECIFICATIONS
Xcode	\$-	1	\$-	Free Download
Swift 3.0	\$-	1	\$-	Included in Xcode
Mac Computer for IT support (with Boot Camp)	\$500.00	.5	\$250.00	MAC Mini
Mac Computer (for Interactive Content Development)	\$1,500.00	.5	\$750.00	No Touchbar
Mac Computer (for Graphic Designer)	\$1,800.00	.5	\$900.00	Touchbar Included
Monitors (3)	\$159.99	3	\$479.97	LG 25UM58-P Black 25" 5ms (GTG) HDMI Widescreen LED Backlight LCD Monitor IPS 250 cd/m2 DCR Mega
Keyboard (3)	\$9.95	3	\$29.85	Logitech Best Seller
Mouse (3)	\$5.99	3	\$17.97	Standard Desktop 4 button mouse w/scroll
Windows OS	\$85.70	1	\$85.70	My Choice Software Windows 10
Desk (1/2)	\$496.40	.5	\$248.20	Bush BBF Series C Elite 83" L Shaped Computer Desk
Chairs (4*1/2)	\$54.00	2	\$108.00	RelaxZen 2-Motor Mid-Back Leather Office Massage Chair, Multiple Colors
Server (1/2)	\$1,529.00	.5	\$764.50	PowerEdge R530 Rack Server
TOTAL			\$3,634.19	





## POST PRODUCTION CENTER

EQUIPMENT	PRICE	#	TOTAL	SPECIFICATIONS
Deluxe Mac Computer (Final Edit Suite)	\$2,999.00	2	\$5,998.00	Mac Pro (Quad-Core and Dual GPU)
Deluxe Monitor (Final Edit Suite)	\$319.14	2	\$638.28	Asus ProArt PA248Q 24.1 Inch LED Monitor
Headphones (2)	\$79.00	3	\$237.00	Sony MDR7506 Professional Large Diaphragm Headphone
Keyboard (2)	\$9.95	3	\$29.85	Logitech best seller (amazon)
Mouses (2)	\$5.99	3	\$17.97	Standard desktop 4 button mouse w/ scroll (amazon)
Surge Protectors (5)	\$9.37	6	\$56.22	Belkin 2 pack (amazon)
Generator	\$799.99	1	\$799.99	Gentron 10,000 W w/ Electric Start
External Drives (3)	\$54.99	4	\$219.96	Seagate expansion 1tb portable
In-Studio Microphone	\$129.00	1	\$129.00	Blue Yeti USB Microphone (Blackout)
Basic Edit Suite Mac Computer	\$500.00	1	\$500.00	Mac Mini
Basic Edit Suite Monitor	\$89.99	1	\$89.99	Dell 23"
Computer for IT support (with Boot Camp)	\$500.00	.5	\$250.00	Mac Computer
Computer (for Interactive Content Development)	\$1,500.00	.5	\$750.00	Mac Computer
Computer (for Graphic Designer)	\$1,800.00	.5	\$900.00	Mac Computer
Desk (1/2)	\$496.40	.5	\$248.20	Bush BBF Series C Elite 83" L Shaped Computer Desk
Chairs (4*1/2)	\$54.00	2	\$108.00	RelaxZen 2-Motor Mid-Back Leather Office Massage Chair, Multiple Colors
<b>TOTAL</b>			<b>\$11,736.96</b>	



# PERSONNEL LIST



## **President** \$140,735

Supervising all processes and sectors of production and responsible for overseeing overall planning and production.

## **Client Services Liaison / Writer** \$76,730

High-level professional with excellent communication, social, and interpersonal skills that acts as an intermediary between company and clients. They meet the clients face-to-face and meets their needs for information, support, assistance, as well as manages client accounts. Works as a sales representative to discover new sales leads through directories and referrals.

## **Interactive Content Developer / Writer** \$97,768

Uses source code and programming languages to create and develop interactive content tailored to mobile devices. Helps improve code quality through tests, automation, and performing code review.

## **Director of Production / Writer / Final Editor** \$118,034

Oversees every sector of the project from conception to completion, maintains the vision of the production, collaborates with the writer to convey the message accurately and consistently.

### **Lead Writer / eLearning Content** \$65,061

Works with directors and producers to produce creative and interactive scripts including elements pertaining to the company's training specifications. Lead content writer must find the perfect balance between cinematic and technical writing to fulfill the goals of the project.

### **IT Support Analyst / Programmer** \$65,061

Responsible for designing and modifying mobile applications development to implement training and support. Provides primary technical support relating to any hardware, software, and standard equipment within the company.

### **Video Production Co-editor / Cinematographer** \$70,906

Chief of camera crew working on film and responsible for making executive and creative decisions pertaining to visuals and imagery.

### **Video Production Co-editor / Sound Mixer** \$60,698

Responsible for recording audio and assembling initial sound mix before the project is sent to the Final Editor for completion. Works in both production and post-production of sound; balances, mixes, edits, and enhances pre-recorded audio.

### **Graphic Designer** \$44,596

Creating workbooks for clients, creating graphics and visual aids for video production, develops and executes any print or digital collateral for the company as well. Handles internal and external marketing.

### **Receptionist** \$30,431

Performs secretarial duties including telephone calls, appointment set-up, faxing, e-mailing, and compiling and completing orders and billing.





# TERMS & CONDITIONS



## ENTERTAINMENT

Client Contact Name  
Client Address

Date of Contract

Dear Client Contact Name,

### Proposed Letter of Agreement (LOA): *Project Title and Objective*

Following a series of meetings and discussions, we are pleased to present our Letter of Agreement (LOA) and credentials to help with the above effort.

**Entertainment, LLC.** appreciates being considered for this assignment. Our team has experience in cinematic works as well as industrial projects, which we will expertly blend to provide entertaining and effective interactive training media for your organization.

#### A. Project Scope *(include Topic Modules to be covered in Project):*

The current list of Interactive Training Topic Modules required for the project are:

1. Module 1 –
2. Module 2 –
3. Module 3 –
4. Module 4 –
5. Module 5 –
6. Module 6 –
7. Module 7 –
8. Module 8 –

For each module a clear definition is needed of the skills of the *Client Organization* audience who will receive the training. That is critical to ensure the right level of detail is built into the text, graphics, video, interactions and quizzes.

We plan to meet the learning objectives below in the design of the media material. By completing this e-learning course the *Client Organization* employees will be able to *(list learning objectives here)*:

1. Understand the reasoning behind \_\_\_\_\_
2. Describe how \_\_\_\_\_ affects \_\_\_\_\_
3. Understand the required procedure of \_\_\_\_\_
4. Interpret \_\_\_\_\_
5. Determine the purpose and mode of action of \_\_\_\_\_
6. Communicate effectively with others working with \_\_\_\_\_
7. Have a working knowledge of \_\_\_\_\_

In this project we will work with *Client Organization* Subject Matter Experts (SMEs) to:

1. Deliver the Interactive Training Topic Modules modules listed in A above, based on the **Entertainment** cinematic approach, modified to the level-of-detail appropriate for the *Client Organization* product quality content and audience.
2. Define a learning “hierarchy” – Module, lesson, topic, media theme, film genre, & structure consistent across all modules.
3. Create content for each module, using the following process:
  - a. Start with existing *Client Organization* slides, animations, graphics, videos, etc. and modify as needed to create cinematic quality media, interactive content, and game simulations.
  - b. **Entertainment** will have full access to *Client Organization* staff, SMEs and graphic libraries for these efforts.
  - c. *Client Organization* will also arrange for content from any third parties, as required.
  - d. **Entertainment** can also be requested to work with *Client Organization* to explore appropriate, cost effective third party alternatives.
  - e. *Client Organization* will provide any interface requirements with company locations or other third parties who will have video or interactive content content for the project.
4. The modules will include the following elements:
  - a. Routine quizzing, simulation gaming, online resources and other interactive tools to engage the students and to validate successful completion of each module.
  - b. A consistent presentation “look & feel” across all the modules that coordinate with chosen cinematic genre.
  - c. A glossary of terms.
  - d. A workbook (printed form) for each module, if desired.
  - e. Compatibility with the *Client Organization* Learning Management System (LMS) as defined in their Content Technical Specifications.
  - f. The ability to be completed at the convenience of the student or in a classroom setting, depending on the desires of *Client Organization*.
  - g. A certificate will be submitted upon completion of the entire set of modules.
  - h. Any additional technical requirements must be compatible with the *Client Organization* LMS.

#### C. Proposed Project Staffing and Roles

1. *Client Organization* will provide coordination within *Client Organization's* locations. **Entertainment** will manage the development of the modules of the project.
2. *Client Organization* will provide a senior Houston-based SME point of contact for four primary roles:
  - a. Provide daily **Entertainment** access to SME’s and content within *Client Organization*.
  - b. Review and approval of the storyboards and interactive content.
  - c. Coordination with *Client Organization* for content reviews and project milestones.
  - d. Definition of, and acquisition of the rights to use any needed third party material.

**Entertainment** will hold responsibility for project management, design and development of the modules. Implementation and evaluation of the modules will be the responsibility of *Client Organization*.

(Please see Personnel section for more information about **Project Staffing and Roles**).

**D. Proposed Project Review Process**

This portion of the Proposed Letter of Agreement will include all information pertaining to Project Checkpoints outlined in the *Enterainment* standard workflow. If certain materials do not meet *Client Organization* standards or expectations, steps may need to be revisited in order to fulfill requirements. If progress is halted due to mistakes by *Enterainment* then there will be no repercussions; however, if mistakes are due to *Client Organization* miscommunication or delayed response, then additional charges will be put into effect.

**E. Project Timing**

This section discusses the overall Project Timeline, establishing planned due dates for deliverables, tentative shooting schedules, and other necessary information that may affect the timely completion of Project Scope. This also includes screenwriting, potential casting calls, location scouting, crew calls, interactive content development, post production, and sound mixing.

**F. Project Cost Estimate and Payment Terms**

This is where Billing Cycles are established and defined. Generalized summaries will explain where funds will be designated within each process of the *Enterainment* workflow. This will help to ensure understanding for *Client Organization*. Billing Cycles are necessary for maintaining consistent *Enterainment* employee salaries and guaranteeing sufficient funds for equipment, material, and supply costs as the project progresses within the standard workflow.

Contingency funds will be discussed for inclusion as part of the Project Cost Estimate, due to possible unavoidable pre-production, production, and post-production variables.

The total financial commitment by *Client Organization* is shown in the following table (fill in with relevant financial information for project).


**G. Additional Project Scope/Risks:**

In the attached document (*attach list of Additional Project Scope/Risks*) we have identified items that are potentially additional cost items for this project. They are not within *Enterainment/Client Organization* control, nor are they part of this contract.

Please review this list and give us your additions, thoughts and comments.

*Client Contact Name*, we believe this training concept will be very powerful for garnering interest and participation while employees learn the *Client Organization* training material. We are happy to discuss our approach in more detail. Should this agreement satisfy your requirements, please sign below so that we can begin to schedule resources.

Should you have questions, please contact our Client Services Liaison, Kesha Tran at 000-000-0000 or me at 000-000-0000.

Sincerely,

*Taunie Reddington*

Taunie M. Reddington  
President

Acknowledged, agreed to and accepted: *Client Organization*

By: \_\_\_\_\_ Date: \_\_\_\_\_  
*Client Contact Name*  
*Client Official Job Title*

Foundation for our standard Proposed Letter of Agreement provided by Marty Stetzer, President of EKTInteractive, Inc. (EKTi).



## The Code of Fair Practice for the Graphic Communications Industry from the Graphic Artists Guild (Relevant Articles for Entertainment Contractual Agreements):

ARTICLE 1. Negotiations between an artist or the artist's representative and a client shall be conducted only through an authorized buyer.

ARTICLE 2. Orders or agreements between an artist or artist's representative and buyer should be in writing and shall include the specific rights which are being transferred, the specific fee arrangement agreed to by the parties, delivery date, and a summarized description of the work.

ARTICLE 3. All changes or additions not due to the fault of the artist or artist's representative should be billed to the buyer as an additional and separate charge.

ARTICLE 4. There should be no charges to the buyer for revisions or retakes made necessary by errors on the part of the artist or the artist's representative.

ARTICLE 5. If work commissioned by a buyer is postponed or canceled, a "kill-fee" should be negotiated based on time allotted, effort expended, and expenses incurred. In addition, other lost work shall be considered.

ARTICLE 6. Completed work shall be promptly paid for in full and the artwork shall be returned promptly to the artist. Payment due the artist shall not be contingent upon third-party approval or payment.

ARTICLE 7. Alterations shall not be made without consulting the artist. Where alterations or retakes are necessary, the artist shall be given the opportunity of making such changes.

ARTICLE 8. The artist shall notify the buyer of any anticipated delay in delivery. Should the artist fail to keep the contract through unreasonable delay or nonconformance with agreed specifications, it will be considered a breach of contract by the artist. Should the agreed timetable be delayed due to the buyer's failure, the artist should endeavor to adhere as closely as possible to the original schedule as other commitments permit.

ARTICLE 9. Whenever practical, the buyer of artwork shall provide the artist with samples of the reproduced artwork for self-promotion purposes.

ARTICLE 10. There shall be no undisclosed rebates, discounts, gifts, or bonuses requested by or given to buyers by the artist or representative.

ARTICLE 11. Artwork and copyright ownership are vested in the hands of the artist unless agreed to in writing. No works shall be duplicated, archived, or scanned without the artist's prior authorization.

ARTICLE 12. Original artwork, and any material object used to store a computer file containing original artwork, remains the property of the artist unless it is specifically purchased. It is distinct from the purchase of any reproduction rights.(\*1) All transactions shall be in writing.

ARTICLE 13. In case of copyright transfers, only specified rights are transferred. All unspecified rights remain vested with the artist. All transactions shall be in writing.

ARTICLE 14. Commissioned artwork is not to be considered as "work for hire" unless agreed to in writing before work begins.

ARTICLE 15. When the price of work is based on limited use and later such work is used more extensively, the artist shall receive additional payment.

ARTICLE 16. Art or photography should not be copied for any use, including client presentation or "comping," without the artist's prior authorization. If exploratory work, comprehensives, or preliminary photographs from an assignment are subsequently chosen for reproduction, the artist's permission shall be secured and the artist shall receive fair additional payment.

ARTICLE 17. If exploratory work, comprehensives, or photographs are bought from an artist with the intention or possibility that another artist will be assigned to do the finished work, this shall be in writing at the time of placing the order.

ARTICLE 18. Electronic rights are separate from traditional media, and shall be separately negotiated. In the absence of a total copyright transfer or a work-for-hire agreement, the right to reproduce artwork in media not yet discovered is subject to negotiation.

ARTICLE 19. All published illustrations and photographs should be accompanied by a line crediting the artist by name, unless otherwise agreed to in writing.

ARTICLE 20. The right of an illustrator to sign work and to have the signature appear in all reproductions should remain intact.

ARTICLE 21. There shall be no plagiarism of any artwork.

ARTICLE 22. If an artist is specifically requested to produce any artwork during unreasonable working hours, fair additional remuneration shall be paid.

ARTICLE 23. All artwork or photography submitted as samples to a buyer should bear the name of the artist or artists responsible for the work. An artist shall not claim authorship of another's work.

ARTICLE 24. All companies that receive artist portfolios, samples, etc. shall be responsible for the return of the portfolio to the artist in the same condition as received.

ARTICLE 25. An artist entering into an agreement with a representative for exclusive representation shall not accept an order from nor permit work to be shown by any other representative. Any agreement that is not intended to be exclusive should set forth the exact restrictions agreed upon between the parties.

ARTICLE 26. Severance of an association between artist and representative should be agreed to in writing. The agreement should take into consideration the length of time the parties have worked together as well as the representative's financial contribution to any ongoing advertising or promotion. No representative should continue to show an artist's samples after the termination of an association.

ARTICLE 27. Examples of an artist's work furnished to a representative or submitted to a prospective buyer shall remain the property of the artist, should not be duplicated without the artist's authorization, and shall be returned promptly to the artist in good condition.

ARTICLE 28. (\*2) Interpretation of the Code for the purposes of arbitration shall be in the hands of a body designated to resolve the dispute, and is subject to changes and additions at the discretion of the parent organizations through their appointed representatives on the Committee. Arbitration by a designated body shall be binding among the parties, and decisions may be entered for judgment and execution.

For more information about the Graphic Communications Industry Code of Fair Practice visit <https://graphicartistsguild.org>.



**FADE IN:**

**THE END**

THANK YOU FOR YOUR CONSIDERATION

**FADE OUT.**