

## STAFF EMPLOYMENT AGREEMENT

This STAFF EMPLOYMENT AGREEMENT (“Agreement”) is made by and between All for KIDZ, Inc., a Washington corporation (“AFK”) and [NAME] (“Employee”), and is effective as of [DATE].

### RECITALS

- A. AFK is an international character education and school assembly company engaged in developing, producing, promoting and marketing copyrighted live motivational or character education shows (“Services”) and related products (“Products”) to schools and other organizations (“Customers”). As a key part of its School Assembly Business, AFK provides training and access to Intellectual Property and Confidential Information to its employees to enable them to function as a performer of AFK’s shows.
- B. Employee is being employed as a performer of AFK’s copyrighted live motivational shows. Employee will receive training from AFK related to its copyrighted live motivational shows and to have access to and use of AFK’s Intellectual Property and Confidential Information in order to function as a performer of AFK’s shows.
- C. Given the nature of AFK’s School Assembly Business in working with youths and students and the responsibility incumbent on Employees, Employee represents and warrants that none of the following have ever occurred or, if it has, that the circumstances have been fully disclosed to AFK: (1) charged, prosecuted for or incurred a criminal record, (2) accused of or prosecuted for child sexual abuse, or (3) accused of financial mismanagement, including embezzlement.
- D. AFK and Employee desire to document their agreement relating to the terms of employment in this Agreement.

NOW, THEREFORE, in light of the foregoing recitals, the covenants, conditions, and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

### AGREEMENT

1. **Duties.** The parties agree and acknowledge that they shall be responsible for the performance of the following duties:
  - (a) **AFK.** During the term of this Agreement, AFK shall provide Employee training and access to AFK’s Intellectual Property (as that term is defined in Section 6 of this Agreement) to facilitate performance of Employee’s duties. AFK shall compensate Employee pursuant to Section 2.
  - (b) **Employee.** During the term of this Agreement, Employee shall use its best efforts to perform AFK Services. Employee shall abide by all policies of AFK regarding its

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Services and Product and shall only use approved AFK materials in the performance Employee's duties.

2. **Compensation.** During the term of this Agreement, AFK shall provide the following compensation to Employee consistent with the terms contained in a confidential Performer Handbook, which may be modified in accordance with Section 15 herein:
  - (a) **Salary.**
  - (b) **Stipend.** AFK may advance Employee stipends, at its sole discretion.
  - (c) **Bonuses.** Employee may also earn bonuses that are paid when Employee exceeds goals or otherwise meets specific criteria established by AFK.
  - (d) **Timing of Compensation.** Salary payments shall be made according to AFK's regular bi-weekly payroll schedule, which varies from year-to-year and is available by contacting AFK's Human Resource Administrator. Stipends and bonuses will be paid according to the terms of the Performer Handbook or at such other times AFK may establish and at AFK's sole option.
3. **Expenses and Costs.** AFK shall reimburse Employee for all reasonable travel and other expenses incurred by Employee in connection with performance of Services according to the terms of the Performer Handbook. Employee shall submit expense reports to AFK monthly for travel and other expenses incurred the previous month.
4. **Return of Documents and Tangible Items.** Employee shall, within fifteen (15) calendar days of the Effective Date of Termination or written request by AFK, return to AFK all original and copies of documents and tangible items associated in any way with Employee's performance of its duties and AFK Services and Products under this Agreement including, but not limited to, equipment, inventory, supplies, promotional materials, Confidential Information, and other tangible items. Employee shall, within the same period, render a written accounting to AFK itemizing the returned documents and tangible items, and as may be further specified in the Performer Handbook. Additionally, within the 15 day timeframe, employee shall erase or delete all electronic copies of AFK's Intellectual Property from all devices so as not to have access to it after termination.
5. **Term and Termination.** The initial term of this Agreement shall commence on the date set forth above and shall continue for two years after Employee performs their first week of solo performances unless terminated in a manner listed below. After the two years the contract shall continue until terminated by either party in a manner listed below.
  - (a) **Termination by AFK.** At AFK's sole discretion, AFK may terminate employment with or without cause or advance notice. If AFK terminates employment prior to the original two year term without cause, AFK shall provide a severance to Employee equal in value to one month's wages. If AFK terminates employment prior to the original two year term with cause, Employee shall not be entitled to further compensation.

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Continued employment beyond the original two year term shall be at-will, meaning that AFK may terminate employment with or without cause or advance notice and without further compensation. In such a situation, at AFK’s sole discretion, it may provide advance written notice of termination to Employee, in which case Employee shall be entitled to regular compensation prior to the termination date; provided, however, that Employee uses best efforts to continue to provide high quality show performances prior to the termination date.

- (b) **Termination by Employee.** Employee shall complete the original two year term before terminating employment. Due to the significant training required for performance of AFK Services, the length of time required to find, train and deploy a replacement Performer, the negative impact on other staff members’ incentive compensation, the unique and seasonal nature of AFK’s School Assembly Business, and third-party contractual obligations, Employee shall provide advance written notice to AFK when announcing termination or requesting leave of employment according to the following schedule:

Desired termination date any time in:	Months required notice:	Date notice must be provided by:
January	6	July 1
February	6	August 1
March	6	September 1
April	5	November 1
May	6	November 1
June	6	December 1
July	6	January 1
August	6	February 1
September	5	April 1
October	5	May 1
November	4	July 1
December	4	August 1

Failure to deliver the required advance written notice to AFK and/or failure to complete the original two year term shall subject Employee to the remedies specified in Section 10. Employee shall be entitled to compensation as provided in Section 2 for Services completed during the period of time between notice of termination and the termination date provided that Employee uses best efforts to provide excellent customer relations, high quality shows and acceptable Gear Purchase Average (“GPA”) results during that period of time. If Employee fails to use best efforts to meet this standard during any period of the time between their notice of termination and the termination date, necessitating termination by AFK in order to preserve the customer relations, high quality shows and acceptable GPA, in AFK’s sole judgment, Employee shall be subject to the remedies specified in Section 10.

The above notice schedule for terminating employment by the employee shall go into effect on the 8<sup>th</sup> month of the initial two year term.

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Notwithstanding anything to the contrary contained herein, termination pursuant to this Section shall not constitute a waiver of any other rights or remedies of the parties as provided by this Agreement or available at law or in equity.

6. **AFK's Intellectual Property.** AFK is the owner of Intellectual Property (as described below) associated with its School Assembly Business. Employee acknowledges AFK's right, title and interest in and to its Intellectual Property and shall not at any time directly or indirectly act in any way that might impair any such Intellectual Property, including but not limited to the following examples.

(a) **Trademark and Copyright.** AFK is the owner of trademarks including without limitation those set forth in Exhibit A used in association with its School Assembly Business. AFK is also the owner of copyrights for its Services and Products, live motivational show content, training materials, contracts and promotional materials, including without limitation those set forth in Exhibit B.

(b) **Confidential Information.** AFK is the owner of trade secrets directly associated with and comprising a valuable asset of AFK's business, consisting of information that is not generally known and from which AFK derives an economic benefit, including without limitation the Performer Max Impakt contents, the Performer Handbook, the Performer Policies and Procedures Manual, customer lists (including names, locations of, attributes, requirements or special needs and agreements with); customer leads; personnel and work history (including sales data); management research, discussion and decisions (both contemplated and executed); recruiting methods and leads; sales projections; live motivational show information, product pricing information; contemplated new markets, products or services; advertising, marketing or publicity campaigns; market research and analyses; training techniques (e.g., role playing and performance training); sales techniques; and accounting techniques, including without limitation the information and materials set forth in Exhibit C. Confidential Information may be tangible or intangible. Confidential Information specifically includes the totality of AFK's system, which includes without limitation compilations of information, materials and training, sales, management and accounting techniques, even though individual aspects of such information may be independently discoverable through legitimate means.

(c) **Ownership of Developed Materials.** AFK shall own all right, title and interest to patent, copyright, trademarks, trade secret, and all other intellectual and industrial property rights of any sort throughout the world relating to any and all inventions (whether or not patentable), works of authorship, mask works, designations, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by Employee (1) that Employee brings or has brought to AFK that are used in the course of AFK's School Assembly Business or that are incorporated into any of AFK's Services or Products, (2) that are developed during the term of this Agreement that relate to the subject matter of, or arise out of, or in connection with AFK's School Assembly Business, or (3) that are developed within one year after termination of employment if resulting from any work Employee performs for AFK or involving the use or assistance of AFK's facilities, materials,

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personnel or Confidential Information (“Developed Materials”). Employee shall promptly disclose to AFK, and hold in trust for AFK’s sole benefit, all such Developed Materials. All Developed Materials are works made for hire to the extent allowed by law and, in addition, to whatever extent, if any, any such Developed Materials are not deemed works for hire or otherwise automatically owned by AFK, Employee hereby irrevocably assigns all rights of any kind necessary or useful to accomplish the foregoing ownership. Employee shall provide to AFK, at AFK’s sole expense, all assistance reasonably required to perfect the rights herein above defined, and shall execute all necessary documentation to effectuate this assignment. In the event Employee is unavailable to execute such documentation, Employee irrevocably designates and appoints AFK and its duly authorized officers and agents as Employee’s agent and attorney-in-fact to verify and execute such documentation. Employee expressly acknowledges AFK’s right to exploit such Developed Materials in its sole discretion for any purpose with no additional compensation owed to Employee.

- (d) **Use of AFK Intellectual Property.** Employee acknowledges that it will receive access to and use of AFK’s trademarks, copyrighted materials and Confidential Information for the sole purpose of enabling Employee to perform its duties under this Agreement. Employee shall not obtain, attempt to obtain or use AFK trademarks, copyrighted materials or Confidential Information for any other purpose. Employee shall use AFK’s trademarks and copyrighted materials as they are incorporated into AFK’s Services and Products, live motivational show content, training materials, contracts, promotional materials and other tangible items, and Employee shall not diminish the quality or otherwise use, alter, modify or create derivative works absent prior written authorization from AFK.
  
- (e) **Nondisclosure and Return of Confidential Information and Other Materials.** Employee will not disclose confidential information to anyone outside of AFK without the written consent of the company President or Human Resources Administrator. The right to use AFK Intellectual Property and other materials provided in Section 6(d) shall cease immediately upon termination of this Agreement and Employee shall immediately return to AFK all its Intellectual Property, including without limitation materials bearing, incorporating or otherwise including any AFK trademarks, copyrighted materials and Confidential Information. Employee shall permanently delete any and all AFK information from all personal devices (such as computers, laptops, tablets, cell phone, etc.) or other locations it may exist immediately upon termination and shall communicate such to Human Resources once completed. Upon termination of this Agreement, Employee shall not use AFK’s trademarks and copyrighted materials for any purpose whatsoever. For as long as the Confidential Information is not generally known and/or AFK derives an economic benefit from the Confidential Information, Employee shall not use or disclose to any other person or entity any Confidential Information.
  
- (f) **Notice of Unauthorized Use.** Employee shall promptly advise AFK of any threatened, potential or actual unauthorized or improper use of AFK’s Confidential

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Information or Intellectual Property that Employee may become aware of in the normal course of Employee's duties.

7. **Nondisparagement.** Employee will not disparage AFK or its employees, Services, Products or School Assembly Business and will not interfere with AFK's relationships with its customers, advertisers, joint venture partners, employees, vendors, bankers or others. This applies both while Employee is employed by AFK and after termination of Employee's employment with AFK for any reason. Upon termination former employee will cease communication with current employees regarding any issue or matter involving AFK.
8. **Nonsolicitation.** While Employee is employed with AFK, and for a period of eighteen months after the termination date, Employee shall not:
  - (a) Employ, attempt to employ, solicit or engage for employment any AFK employees.
  - (b) Engage in employment or consultation with any agent, representative, consultant, contractor, vendor, broker, distributor, supplier, or any other person or entity doing business with or formerly doing business with AFK.
  - (c) Encourage any AFK Employee, agent, representative, consultant, contractor, vendor, broker, distributor, supplier, or any other person or entity, to end their relationship or stop doing business with AFK, or help any person or entity to do so or attempt to do so, for the profit or benefit of Employee or any other person or to the detriment of AFK.
  - (d) Solicit, directly or indirectly, or engage in any School Assembly Business with any AFK Customer. For purposes of this subsection only, "Customer" is limited to those that have participated in AFK's School Assembly Business in the twenty-four months preceding termination or scheduled to receive AFK's Services in the upcoming twelve months after termination.
9. **Noncompetition.** Employee agrees that in order to protect the Intellectual Property and Confidential Information described above, while Employee is affiliated with AFK, and for a period of twelve months after the termination date, Employee shall not:
  - (a) Plan for, acquire any financial interest in, or perform services for any business that would require Employee to use or disclose any Confidential Information.
  - (b) Carry on or engage in a business that involves the promotion, solicitation or provision of any type of Services or Products offered by AFK or that is otherwise similar to or the nature of which is competitive with all or any part of AFK's School Assembly Business within the reasonable market area of AFK. Employee agrees that due to AFK's worldwide promotional efforts and the nature of AFK's activities on a worldwide scope, the reasonable market area of AFK includes the United States of America and each foreign country in which AFK has promoted or conducted or is planning on promoting or conducting its School Assembly Business.

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10. **Remedies.**

- (a) **Reasonable Restrictions.** Employee acknowledges that AFK Services and Products are special and unique and that, while performing these services, Employee will have access to and AFK may disclose to Employee specialized training techniques and other Confidential Information. Employee also acknowledges that employment with AFK places Employee in a position of confidence and trust with AFK's other employees and Customers that allows Employee the opportunity to establish, maintain, and improve relationships with them. Employee acknowledges and agrees that AFK has a legitimate business interest in these relationships and that Employee will receive access to AFK's Customers solely to enable Employee to fulfill Employee's duties under this Agreement. Accordingly, Employee acknowledges that the restrictions set forth above, specifically including Sections 5-9, are reasonable and necessary for the protection of AFK, its business and its Intellectual Property and Confidential Information, and shall survive termination of this Agreement or Employee's employment with AFK for any reason. Employee further acknowledges that Employee's experience and capabilities are such that Employee can obtain employment that does not violate this Agreement and that an injunction to enforce this agreement will not prevent Employee from earning a reasonable livelihood.
- (b) **Agreement to Injunctive Relief for Breach.** If Employee breaches or threatens to breach any of the provisions of this Agreement, Employee acknowledges and agrees that monetary damages would not adequately compensate AFK, that AFK would sustain irreparable harm, and that AFK would be entitled to injunctive relief, in addition to any other remedies AFK may have available.
- (c) **General Remedies Upon Breach.** Any breach of this Agreement by Employee shall entitle AFK to an accounting and repayment of all compensation or benefits that Employee or any other person or entity associated therewith has realized or may realize in connection with Employee's breach. Such remedies shall be in addition to and not in any way limit any other rights or remedies to which AFK is or may be entitled to by law, in equity or under this Agreement, including injunctive relief.
- (d) **Evidentiary Standard.** For purposes of ascertaining breach and AFK's remedies, and due to the unique nature of AFK's School Assembly Business, Employee understands and agrees that proof of diversion of AFK's School Assembly Business in violation of this Agreement, including Sections 6-9, shall be sufficient upon showing: (i) that unauthorized disclosure of AFK Confidential Information or disparagement was made by Employee or Employee's new employer or business associate or reasonably originated therefrom; or (ii) that the Customer or person is serviced by Employee or Employee's new employer or business associate, or serviced by any competitor for reasons which reasonably appear to AFK to be in whole or in part caused by Employee's conduct in breach of this Agreement.

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- (e) **Liquidated Damages.** If Employee fails to deliver the required advance written notice to AFK or use best efforts to provide AFK's School Assembly Business and sell AFK Products during the period of time between notice of termination and the termination date, or fails to fulfill any other terms and conditions included in this Agreement, Employee shall pay to AFK as liquidated damages \$10,000 as being a reasonable estimate of the value of the significant training required for performance of AFK Services, the length of time required to find, train and deploy a replacement Performer, the required trip to Africa, the negative impact on AFK's reputation for failure to fulfill third party obligations and the negative impact to other staff member from reduction in their incentive compensation plans, and the loss of revenue from lost third-party contractual payments. The parties recognize the difficulty in determining the monetary damages AFK would suffer in the event this Agreement is breached, and have mutually agreed upon this formula for liquidated damages as a reasonable forecast of such damages and not as a penalty. The parties further acknowledge and agree that the liquidated damages described herein cannot fully compensate AFK for its damages and, therefore, these liquidated damages are in addition to other remedies that AFK may pursue, including but not limited to injunctive relief and statutory and common law causes of action.
11. **Employee Warranty.** Employee represents and warrants that Employee has disclosed all facts, if any, pertaining to restrictions on Employee's ability to enter into this Agreement. Employee further represents and warrants that Employee is not bound by any agreements with third parties that would prevent Employee from lawfully performing all duties requested of Employee by AFK. In particular, Employee understands that it is AFK's policy not to improperly obtain or use confidential, proprietary or trade secret information or Intellectual Property that belongs to third parties, and agrees not to use such third-party information or materials for AFK's benefit.
12. **Liability Limitation.** Employee warrants that Services performed by Employee will be of professional quality conforming to generally accepted practices of similar talent in the entertainment and educational assembly industry. In no event shall AFK be liable for special or consequential damages, including without limitation any lost profits, lost contracts, lost opportunities, wasted expenditures, and goodwill, whether or not the possibility of such damages has been disclosed to AFK in advance or could have been reasonably foreseen by AFK in advance or in connection with this agreement, or the services furnished hereunder, and whether based upon breach of contract, warranty, negligence, or otherwise, shall in no case exceed the amounts paid to Employee by AFK with respect to such services, or parts thereof forming the basis for such blame, loss, or liability.
13. **Acknowledgement of Consideration.** The parties acknowledge and agree that AFK's provision to Employee of training and Confidential Information, compensation structure, and the opportunity for Employee to perform under the terms of this Agreement is adequate and sufficient consideration for Employee's agreements, promises and covenants herein.

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14. **Enforcement and Severability.** The parties acknowledge and agree that the restrictions set forth in this Agreement are reasonable and enforceable. Notwithstanding the foregoing, if any court of competent jurisdiction determines that any provision of this Agreement is unenforceable or invalid for any reason, such provision shall be severable and the remaining provisions shall remain enforceable.
15. **Modification of Agreement.** This Agreement (including the Performer Employee Handbook, Max Impakt contents, the Performer Policies and Procedures Manual, and Exhibits A-C hereto, each of which are incorporated by reference herein), contains the entire agreement of the parties and cancels or supersedes any previous agreements between them. The parties have not relied on any promise or representation not expressly incorporated herein as inducement to enter this Agreement. In the event that there is an internal inconsistency between the terms of this Agreement and the documents incorporated by reference, the terms of this Agreement shall prevail.
- (a) AFK shall have the authority at any time to establish and change its policies with respect to Compensation (Section 2), Expenses and Costs (Section 3), its Performer Employee Handbook, Max Impakt, Performer Policies and Performer procedures Manual, and Exhibits A-C, in its sole discretion.
- (b) Any other modification of the Agreement shall be made in writing and signed by all parties; provided, however, that modifications provided by AFK in writing shall be deemed effective and agreed to by Employee and will be treated as incorporated into the Agreement.
16. **Assignment.** This Agreement shall be binding and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns; provided, however, that this Agreement and any duties delegated hereby shall not be assigned by Employee.
17. **Governing Law, Jurisdiction and Venue.** Washington law governs all questions, disputes or controversies arising from and/or relating to the validity, interpretation, performance and enforcement of this Agreement. The parties, their successors and assigns are subject to personal jurisdiction in the courts of Washington, and agree that venue shall exclusively be in the Superior Court of Snohomish County, Washington.
18. **Attorney's Fees.** The prevailing party in any action brought to enforce or interpret this Agreement shall be awarded reasonable attorney's fees and costs, including collection costs.
19. **Counterparts.** This Agreement may be executed in counterparts, all of which, when taken together, shall constitute a single Agreement.
20. **Headings.** The descriptive headings of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any provisions hereof.
21. **Independent Counsel.** Employee acknowledges and agrees that it has had ample opportunity to review this Agreement and to seek the advice of independent counsel.

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Employee also hereby agrees that any rule of law requiring ambiguities to be construed against the drafter hereof shall be null and void when interpreting a provision herein.

22. **Notices.** Any notice required to be given or given as a result of this Agreement shall be deemed to have been provided when directed to the email addresses provided by AFK and Employee in this Agreement, or such other email address as a party may provide in writing. The notifying party is allowed to rely on the last provided information to satisfy any notice requirement. In addition, AFK may use the email address assigned to Employee in the AFK email system, which will always be deemed to be current.
23. **Waiver.** Any waiver by any party hereto of a breach of any provision of this Agreement shall not constitute a waiver by such party of any subsequent breach of the same or any other provision herein.

IN WITNESS WHEREOF, the parties hereto have executed and agree to be bound by all terms of this Agreement effective as of the date above written.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name:

Address:

Phone:

E-mail:

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Arne Dixon, President  
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Date: \_\_\_\_\_

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