

01**PAYMENT**

Payment for design and development services will be made as follows. 50% of the estimated design and development fees are due upon milestone 1: acceptance of the proposal/estimate. The remaining 50% is then due upon milestone 2: submission of the final design and/or development. Except for the portions of invoices that are disputed in good faith by the Client for not being in accordance with the terms and conditions of this agreement, any amounts not paid when due shall accrue interest at the rate of 1.5% per month from the date due until paid. Copal reserves the right to withhold delivery of all electronic and/or printed materials until the undisputed portion(s) of overdue invoices are paid. All outside expenses, including but not limited to, photography, illustration, copywriting, printing, mileage, photocopies and color outputs are the financial responsibility of the client, and will be billed as such.

02

REVISIONS TO THE SCOPE OF WORK

Revisions to the scope of work shall obligate the Client to additional fees and costs. These may include but are not limited to: changes made to copy after the final copy has been submitted; changes made to the design or structure once sitemaps, wireframes, website designs or development have been approved; extensive alterations; a change in marketing objectives on the part of the Client, and new work requested by the Client after the execution of the Agreement. All production costs are based on the assumption that copy will be provided electronically. Change orders will be prepared by Copal to the Client outlining the changes to the scope of work, and any additional costs for those changes. The Client agrees to pay Copal additional fees and costs for said revisions or alterations at the agreed upon project rate. Hourly rates quoted in proposals will remain in effect until further written notice is given. If Copal is unable to meet the delivery schedule set forth in the agreement due to delays by Client or changes requested by Client in the scope of work, Copal may, in its discretion, revise the production schedule as necessary and provide for adjustments in the costs for the Project.

O3 OVERTIME / RUSH CHARGES

Estimates are based on normal and reasonable time schedules, and may have to be revised to take into consideration any "rush" requests requiring overtime. Knowledge of Client's deadline is essential to provide an accurate estimate of costs. Copal's overtime fees incurred at the Client's request will be billed at a rate of \$150/hour. The Client will also be responsible for additional charges imposed by outside suppliers, such as pre-press or printers, to meet Client's "rush" requests. To the extent possible, Copal will advise Client of all situations that require overtime and/or "rush" charges, and the amount of additional compensation that will be charged to meet such overtime requirements or "rush" requests. "Rush" or overtime fees may be incurred if the Client does not meet approval or content deadlines that have been established to meet the Client's desired schedule.

04 OWNERSHIP & USAGE RIGHTS

The rights to be granted by Copal under this agreement will be transferred to Client once full payment for services is made by Client to Copal. Upon receipt of full payment, the Client is hereby granted exclusive and unlimited usage and reproduction rights to the final designs prepared for Client as part of the Project. Except for the foregoing license, all right, title and interest to all designs and artwork (whether draft or final versions) remain with Copal or its contractors or vendors, as applicable. This includes, but is not limited to, layouts, animations, designs and code created by Copal or its contractors or vendors; photography or illustration created by independent photographers or illustrators commissioned by Copal; and photography or other images purchased by Copal from a stock agency on the Client's behalf. Copal reserves the right to reproduce any and all designs created by Copal in print and electronic media for Copal's promotional purposes for an unlimited period of time. Copal has the right to retain, or if applicable, Client agrees to provide Copal, with 5 printed samples of each tangible product produced as a result of the Project. In developing any brandmarks, Copal will use reasonable commercial efforts, consistent with standards in the industry, to ensure that any such brandmarks are original. Copal's efforts shall not include a complete trademark clearance search. Should a higher level of assurance be required by Client, the services of a trademark search firm and intellectual property attorney should be retained by Client.

05

NON-DISCLOSURE OF CONFIDENTIAL **INFORMATION**

Each Party will not, at any time, whether during or after the termination or expiration of this agreement, for any reason whatsoever, disclose to any person or entity or use for any purpose other than fulfilling its obligations hereunder, the other Party's confidential information, as defined below. Any concepts, business strategies, trademarks, service marks, materials, outlines, etc. provided to a Party by the other Party constitute trade secrets and confidential information under this agreement and shall not be used by the other Party for any other purpose than for the purpose of the Project.

06CANCELLATION

In the event the Client cancels this agreement prior to the completion of the project, within five business days of such cancellation, Client shall pay (a) Copal for all work performed by Copal up to the date of termination, (b) for all outside expenses and commitments that have been incurred and cannot be cancelled and (c) a cancellation fee equal to 15% of the remaining fees that would otherwise have been paid to Copal if the agreement were to have been fully performed.

07**ERRORS**

The Client has the responsibility to proofread and examine all work produced during the project. Therefore, the Client is ultimately responsible for any typographical, spelling, grammatical, copy, photographic, illustrative, layout or other errors discovered after printing or reproduction, or for any work or services performed by any party selected by the Client. In the event the Client determines that there are errors in the work produced during the Project, Client shall notify Copal of any errors within 48 hours of Client's determination. Failure to promptly notify Copal shall constitute a waiver by Client of any claim arising out of such errors.

PERFORMANCE

Each party shall use commercially reasonable efforts or fulfill its obligations hereunder, but shall in no event be responsible for any failure or delay in performance due to any catastrophe, act of God or government authority, civil strife, or any other cause beyond the control of such party. In no event shall Copal's liability exceed the sum of payments received from the Client under this agreement. Neither party shall be liable to the other for any consequential, indirect, special or punitive damages, even if such damage were reasonably foreseeable.

PRICING

The prices set forth in this proposal/estimate are valid for 1 month from the date the proposal/estimate was generated and represent Copal's good-faith estimate of costs included in the price. If printing is a component of this estimate, printing prices are not guaranteed until paper has been ordered. Copal shall inform Client promptly if any variations in costs or outside expenses are anticipated.

10 **ENTIRE AGREEMENT**

This agreement and the Project proposal/estimate hereto represent the entire agreement between Copal and Client with respect to the performance of the design and/or development services and supersedes any prior oral or written agreements or discussions, may not be modified or amended unless in writing signed by each of the parties, and may not be assigned by either party without the written consent of the other party who's consent will not be unreasonably withheld.

11 **ACCEPTANCE OF THIS AGREEMENT**

By accepting the Project proposal/estimate, the Client and Copal both agree to all terms and conditions contained in this agreement on the date of the Project proposal/estimate acceptance.