TERMS OF SERVICES

Section 1. <u>Work Plan.</u> The web Designer has prepared a Work Plan for the website, which includes the following:

(a) The specifications for the website comply with the requirements of the Client's Request For Proposal;

(b) a listing of all items to be delivered to the client (the "Deliverables");

(c) a schedule containing a delivery date for each Deliverable; and

(d) A schedule sets forth the amount and timing of the Web Designer's compensation, including provisions for payment of Web Designer's reasonable travel and other out-of-pocket expenses.

Web Designer shall deliver the Work Plan to Client with this Agreement Client shall have five (5) days to review and comment upon the Work Plan. Upon the client's approval of the Work Plan, it will be attached as Exhibit "A" and will become a part of this agreement. The web Designer shall immediately commence the development of the website in conformity with the Work Plan.

Section 2. <u>Payment</u>. The total contract price for the project is as mentioned in the Website Development Agreement. This amount shall be payable in installations according to the ***Payment Plan*** outlined in the Website Development Agreement. Each installment shall be payable upon completion of each phase by the Web Designer and upon acceptance by the client.

(a) WEB DESIGNER price includes a 50% discount to authorize WEB DESIGNER recognition as the developer or promoter by placing a link at the bottom of each page, "Website Design by Canada Create" or "Internet Marketing by Canada Create Agency." If the client decides not to include the link, the 50% discount on the package will automatically be reversed, and the difference will be invoiced and due for the client to pay immediately.

(b) The initial deposit will not be refunded if the CLIENT terminates the project during the development of the service.

(c) All fees will be invoiced and processed by the credit card on file on the due date. Should the client have no active credit card on file, the payment must be paid within 30 days by

any means to avoid the 10% monthly late payment fee on the amounts due.

(d) WEB DESIGNER will bill the monthly management fees for Pay Per Click services on the same day by credit card. In cases where the 20% of the Pay Per Click budget spent applies (minimum of $400), this management fee will be charged to your credit card, as demonstrated in the following example. Example: The monthly spend for your Google AdWords campaign is $3000. You would be billed the standard no more than $600 management fee on the same day of each month to manage your AdWords account. Given that 20% of $3,000 is $600, we would bill no remaining portion of the management fee ($600 minus $400 equals $200) at month end to achieve the total management fee for that month.

(e) The Pay Per Click budget will be billed directly by the search engines to the CLIENT, and all management fees will be billed directly by the WEB DESIGNER to the CLIENT every month.

Section 3. <u>Changes in Project Scope</u> If, following acceptance of the Work Plan, the client should desire to change the specifications or other elements of the Work Plan, the client shall submit to the Web Designer a written proposal specifying such changes. Web Designer shall evaluate each such recommendation and submit to the client a written response within five (5) working days following receipt thereof. The web Designer's response shall include a statement of the availability of personnel and resources, as well as the effect the proposed changes will have on the price, delivery dates or warranty provisions of this agreement.

A "Work Plan Amendment shall evidence any changes to the Work Plan." The Work Plan Amendment shall be signed by Web Designer and Client authorized representatives and shall be deemed a part of this agreement. If the Web Designer does not approve the Work Plan Amendment, he shall not be obligated to perform any additional services hereunder.

Section 4. <u>Delays</u>. Web Designer recognizes and agrees that failure to deliver the website according to the Work Plan's delivery schedule will result in expense and damage to the client. The web Designer shall inform the client immediately of any anticipated delays in the delivery schedule and the actions being taken to assure completion of the website within such schedule. If any delivery date is missed, the client may, at its sole option, declare a default under this agreement and may pursue all remedies outlined in Section 14; provided, however, that client shall provide Web Designer with thirty (30) days to cure the delay before declaring a default. The client may not claim a default hereunder if such delay is caused by any action or failure to act of the client.

Web Designer cannot be held in default of this agreement in case of delays on the client's part. In such a case, the Web Designer will provide the client with written notice of such a delay. Work on the Website shall not resume until the client has resolved the reason for the delay and notice of its resolution has been provided to Web Designer.

Section 5. <u>Acceptance Testing</u>. Upon completion of the website and the delivery of all items required to be provided under the Work Plan, the client shall have thirty (20) days from such completion to inspect, test and evaluate the website to determine whether it satisfies the acceptance criteria set forth in the Work Plan.

If the website does not satisfy the acceptance criteria, the client shall give the Web Designer written notice stating why the website is unacceptable. Web Designer shall have fifteen (15) days from the receipt of such notice to correct the deficiencies. The client shall then have fifteen (15) days to inspect, test and reevaluate the website. Suppose the website still does not satisfy the acceptance criteria. In that case, the client shall have the option of either: (1) repeating the procedures set forth above or (2) terminating this agreement according to Section 13.

If and when the acceptance tests establish that the website complies with the acceptance criteria, the client shall notify the Web Designer that it accepts the website. The date of such notification shall be the date on which the client shall be obligated to make the final payment specified in the Website Development Agreement.

Section 6. <u>Authority</u>. Web Designer and Client each hereby represent and warrant that the execution, delivery and performance of this agreement has been duly authorized and that the agreement is a legal, valid and binding agreement of Web Designer and Client, enforceable in accordance with its terms. Web Designer and Client further represent that this agreement does not breach or violate any agreement to which it is a party or to which it is bound.

Section 7. <u>Rights to Work Product</u>. Web Designer hereby acknowledges that the Deliverables and any other documentation, materials or intellectual property hereunder (collectively, the "Work Product") are works which have been specially commissioned by the client and are "work made for hire" for the Client and Client shall own all right, title, and interest therein. The client shall be considered the author of the Work Product for purposes of copyright and shall possess all the rights in and to the copyright of the Work Product and, as between Client and Web Designer, only the client shall have the right to obtain a copyright registration on the same which client may do in its name, its trade name or the name of its nominee(s). Accordingly, among other things, the client is the author and owner of the Work Product and shall have the sole and exclusive rights to do and authorize any and all of the acts set forth in Section 106 of the Copyright Act concerning the Work Product and any derivatives thereof and to secure any and all renewals and extensions of such copyrights. To the extent Web Designer does not own such Work Product as a work made for hire, Web Designer hereby assigns, transfers, releases and conveys to the client all rights, title and interest to such Work Product, including but not limited to all other patent rights, copyrights, and trade secret rights should there be no outstanding amount owed to Web Designer. Suppose there are any monies owed to the web designer. In that case, Web Designer retains the copyrights or ownership to the source code/design of all files produced/developed/designed by Web Designer during this project's work.

Canada Create Corporation
126 Willowdale Ave.,Suite 3, Toronto, ON, M2N 4Y2
Tel: 416-273-9030 | Toll Free: 1-800-808-9235 | Fax: 1-877-834-1877

3/9

After the project's final payment, rights and source code/design, ownership will be handed over to the CLIENT upon request.

Section 8. <u>Training</u>. The web Designer shall provide reasonable training in the use of the website. Shall the client require additional training, the Web Designer can offer it to the client at an additional cost ($100/hr) as accepted by both parties. Limited support via phone or email will be available to the client for sixty (60) days following acceptance of the website, as set forth in Section 5. "Limited support" shall include instructions to access, alter, and maintain the website using software and/or technology purchased by the client and is not to exceed five working hours in any given month. A web Designer is not responsible for providing the client with software and/or technology.

Section 9. <u>Representations and Warranties.</u>

(a) <u>Warranty of Website Performance</u>: The web Designer represents and warrants that, for sixty (60) days following acceptance of the website by the client, the website will be free from programming errors and defects in quality and materials and will conform to the specifications in the Work Plan. If programming errors or other defects are discovered during the warranty period, the Web Designer shall promptly remedy them at his expense.

(b) <u>Warranty of Title</u>: The web Designer represents and warrants that he owns and has the complete right to license and convey title without any encumbrances to the Website and Deliverables covered by this agreement. Web Designer further represents and warrants that he has obtained all required registrations, permissions and consents from all third parties necessary to deliver the Website, Background Technology and Deliverables. Web Designer shall not grant any rights or licenses to any intellectual property or technology that would conflict with his obligations or Web Designer's rights under this agreement.

(c) <u>Warranty Against Disablement</u>:   Web Designer expressly represents and warrants that no portion of the website contains or will contain any protection feature designed to prevent its use. This includes, without limitation, any computer virus, worm, software lock, drop dead device, Trojan horse routine, trap door, time bomb or any other codes or instructions that may be used to access, modify, delete, damage or disable the website or computer system.

(d) <u>Warranty of Compatibility</u>: The web Designer represents and warrants that the website shall be compatible with the client's hardware and software as set forth in the specifications in the Work Plan.

(e)   Warranty Against Intellectual Property Infringement: Web Designer represents and warrants that the Website and Deliverables shall not infringe on the trademark, copyright, patent, trade secrets or any other rights of any third party. To the extent the Website or the Deliverables infringe upon the rights of any third party, the Web Designer shall obtain a license or consent from such third party permitting the use of the Website and Deliverables.

Section 10. Indemnity.

(a)   Indemnification Against Liability for Infringement: the client shall indemnify the web designer and any of its officers, directors, employees or agents against all claims, liabilities, costs, damages, fees and expenses (including reasonable attorney fees) arising from any breach or alleged breach of warranty under this agreement or any claim or suit alleging infringement by the Website, Background Technology or Deliverables of any patent, copyright, trade secret or trademark rights or any other rights of any third party. In writing, the client shall promptly notify the Web Designer of any third-party claim or suit. The client shall have sole control of the defence of any such action and all negotiations for its settlement or compromise. The client must participate at its own expense to defend any such action at its sole discretion. At no event will Web Designer be liable to the CLIENT or any third party for any damages, including any lost profits, lost business, lost savings or other incidental, consequential or special damages arising out of the operation of or inability to operate the project and its applications.

(b)   Indemnity by Client: The client shall indemnify Web Designer and any of his employees or agents against all claims, liabilities, costs, damages, fees and expenses (including reasonable attorney's fees) arising from any action based upon any works done as part of this agreement.

(c)   Collections: If collection proves necessary, CLIENT agrees to pay all legal or third-party involvement fees incurred in that process and a 10% late payment penalty per month on the remaining amount due.

(d)   Liabilities: At no time will Web Designer be liable to the client or any third party for any damages: including any lost profits, lost business, lost savings or other incidental, consequential or special damages arising out of the operation of or inability to reach top ranking on Google, Yahoo!, Bing, or any other search engine that the CLIENT agrees to be optimized on.

(e) Web Designer makes no guarantees of placement in either organic or Google Places. The web Designer's mandate is to optimize the CLIENT website with the latest techniques and will try to retain the highest rank possible for the CLIENT website.

(f) PPC budgets for Google, Bing or Yahoo! are to be used as a guideline for the Paid Search team. The CLIENT acknowledges that WEB DESIGNER will not be held liable for any invoices incurred from Paid Search vendors. CLIENT acknowledges that they pay the Paid Search vendor for their clicks or impressions and pay WEB DESIGNER separately to manage their advertising. PPC budget costs are not included in this quote and will be invoiced separately from the appropriate Paid Search vendor(s).

(g) WEB DESIGNER is in no way responsible for any lost or deleted website, data, or lead information. The data backup measures are available at an extra fee.

Section 11. <u>Confidentiality</u>.

(a) <u>Confidential Information</u>: For purposes of this agreement, the term "Confidential Information" means all information that is not generally known by the public and that: (i) is obtained by Web Designer from Client, or that is learned, discovered, developed, conceived, originated, or prepared by Web Designer during the process of performing this agreement, and (ii) relates directly to the business or assets of the client. The term "Confidential Information" shall include, but shall not be limited to: inventions, discoveries, trade secrets, and know-how; computer software code, designs, routines, algorithms, and structures; product information; research and development information; lists of clients and other information relating thereto; financial data and information; business plans and processes; and any additional information of Client that Client informs Web Designer, or that Web Designer should know by virtue of its position, is to be kept confidential.

(b) <u>The obligation of Confidentiality</u>: During the term of this agreement, and at all times thereafter, the Web Designer agrees that he will not disclose to others, use for his own benefit or the benefit of anyone other than the client, or otherwise appropriate or copy, any Confidential Information, whether or not developed by Web Designer, except as required in the performance of its obligations to client hereunder. The obligations of the Web Designer under this paragraph shall not apply to any information that becomes public knowledge through no fault of the Web Designer.

Section 12. <u>Term of Agreement</u>.   This agreement commences on the date it is executed and shall continue until a complete performance by both parties or until earlier terminated by one party under the terms of this agreement.

Section 13. <u>Termination of Agreement.</u>   The client may terminate this agreement at its sole election upon advanced written notice to the Web Designer for thirty (30) days. Upon such termination, all amounts owed to Web Designer under this agreement for completed work in accordance with the Work Plan shall become due and payable. The Web Designer shall deliver all completed work to the client at such time.

If the client terminates this agreement because of the Web Designer's default of his obligations hereunder, the client may, after thirty (30) days written notice to the Web Designer and a reasonable opportunity to cure:

(a)   Require Web Designer to immediately deliver to Client all Work Product developed by Web Designer under this agreement and pay Web Designer all amounts owed for the work performed under this agreement and accepted by the client, whereupon client shall have complete right, title and interest in such work and all rights, permissions and licenses granted to Client by Web Designer under this agreement shall continue, in perpetuity as royalty-free and fully paid rights; or

(b)   Pursue all legal and equitable remedies against Web Designer.

If Web Designer terminates this agreement because of the client's default, after a thirty (30) day written notice to the client and an opportunity to cure, Web Designer may require:

(a)   Client to pay all amounts then due to Web Designer under this agreement for any work which has been completed and accepted by the client, whereupon client shall have complete right, title and interest in such work and all rights and licenses granted to Client by Web Designer under this agreement shall survive as royalty-free and fully paid up; and

(b)   Pursue all legal and equitable remedies against the client.

Section 14. <u>Assignment</u>. Neither party may assign or subcontract its rights or obligations under this agreement without the prior written consent of the other party, which shall not be unreasonably withheld.

Section 15. <u>Location of Website</u>. Web Designer shall provide all HTML files and code to Client or its assigned Representative. The web Designer shall use his best good faith efforts to assist the client in installing the website to its final location in a timely and efficient manner. The web Designer shall also use his best good faith effort to assist the client in relocating the website if such relocation should occur within the Warranty period as defined in Section 9, paragraph (a).

Section 16. <u>General Provisions</u>.

(a) <u>Complete Agreement</u>: This Agreement, together with all exhibits, appendices or other attachments, is the sole and entire agreement between the parties relating to the subject matter hereof. This agreement supersedes all prior understandings, agreements and documentation relating to the such subject matter. In case of a conflict between the provisions of the main body of this agreement and any attached exhibits, appendices or other materials, this agreement shall take precedence.

(b) <u>Modification to Agreement</u>: Modifications and amendments to this agreement shall be enforceable only if they are in writing and are signed by authorized representatives of both parties.

(c) <u>Waive</u>: No term or provision of this agreement shall be deemed waived and no breach excused unless such waiver or consent is in writing and signed by the party claimed to have waived or consented.

(d) <u>No Agency</u>: Nothing contained herein, will be construed as creating any agency, partnership, joint venture or other forms of joint enterprise between the parties.

(e) <u>Independent Contractor</u>: The parties acknowledge that Web Designer shall perform his obligations hereunder as an independent contractor. The manner and method of performing such obligations will be under the Web Designer's sole control and discretion. Web Designer's sole interest is in the result of such services. It is also expressly understood that Web Designer's employees and agents are not the client's employees or agents and have no authority to bind the client by contract or otherwise. The client shall make no

deduction from any payments due to Web Designer hereunder for federal and state tax purposes.

(f) Notice: All notices and other communications required or permitted under this agreement shall be in writing and shall be deemed given when delivered personally, or five (5) days after being deposited in the Canada Post mail, postage prepaid and addressed as in contract, by email as per provided email address beneath or to such other address as each party may designate in writing.

(g) Reasonable Costs: In the event of any controversy concerning or related to this Agreement or the performance of this agreement, the prevailing party shall be entitled to recover its reasonable expenses (including reasonable attorneys' fees) incurred in resolving a such controversy, in addition to any other relief that may be available.

(h) Applicable Law: This Agreement will be governed by the laws of the Province of Ontario. Any litigation or arbitration regarding this agreement shall be brought exclusively in Toronto, Ontario.

(i) Severability: If any provision of this agreement is held invalid, void or unenforceable under any applicable statute or the rule of law, it shall to that extent be deemed omitted, and the balance of this agreement shall be enforceable in accordance with its terms.

(j) Time of the Essence: Time is of the essence in the performance of the covenants of the parties hereunder, including delivery covenants to be performed by the Web Designer, without limitation.

(k) Bankruptcy.   If either party hereto (a) shall be adjudicated a bankrupt or an order appointing a receiver of it or the major part of its property shall be made, or an order shall be made approving a petition or answer seeking its reorganization under any applicable bankruptcy law, and in any such case shall not be stayed within 15 days, or (b) shall institute proceedings for a voluntary bankruptcy or apply for or consent to the appointment of a receiver of itself or its property, or shall make an assignment for the benefit of its creditors, or shall admit in writing its inability to pay its debts generally as they become due, to seek a reorganization under the federal bankruptcy laws or otherwise, then in any one or more of such events listed in (a) or (b) above, the other party may terminate this agreement by giving at least 15 days prior notice.