

DESIGN SERVICE AGREEMENT

Dropiom LLC (the "Company") conducts all software design, development, and customization services under the below agreement. Prior to the beginning of work on any project a written and dated copy of this agreement shall be provided for Customer's review and signature.

1 PROJECT SERVICES

1.1 PROGRAMMING AND MATERIALS

Company agrees to perform the work or services as specified in Exhibit A, Statement of Work (the "Work"). At Customers request Company shall report to Customer on the Status of the Work. Customer, on reasonable advanced notice, may inspect the Work and receive a copy of it.

1.2 CONDUCT OF SERVICES

Company shall use its best effort to complete the Work outlined in Exhibit A, and with a level of skill commensurate with the requirements of this Agreement.

1.3 ACCEPTANCE OF RESULTS

Customer shall inform Company in writing the same day of receiving the Work, or milestone deliverables of the Work, whether Customer accepts or rejects the final Work.

1.4 ADDITIONAL SERVICES

When required by Customer, the parties shall in good faith negotiate Supplemental Statements of Work ("Supplements"), each of which upon signing shall be deemed a part of this Agreement.

1.5 METHOD OF DELIVERY

Unless otherwise specified by Customer, the method of delivery for completed works, under this agreement, shall be made through CD ROM media and delivered via express mail services. The cost of media and shipping shall be born solely on Customer.

1.6 METHOD OF PERFORMING SERVICES

Company shall have the right to determine the method, details, and means of performing the work to be done for Customer. Customer shall have no right to, and shall not, control the manner or determine the method of accomplishing

Company's services. Company may, however, require Customer's personnel at all times to observe security and safety policies of Company. In addition, Customer shall be entitled to exercise broad general power of supervision and control over the results of Work performed by Company or Company's personnel to ensure satisfactory performance, including the right to stop work, the right to make suggestions or recommendations as to details of the work, and the right to propose modifications to the work.

1.7 REPORTING

At Customer's request, Company shall report to Customer on the status of the Work. Unless otherwise specified by Customer, all works shall be made available to Customer via Companies website.

2 COMPENSATION

2.1 FEES

Compensation for all Work shall be specified in Exhibit A or in the case of Supplemental Work in executed Supplements.

2.2 PAYMENT TERMS

As applied to "New Customer Projects", unless otherwise noted in Exhibit A, statement of work. Customer is required to pay a down payment of 50% of total cost, prior to start of project. Customer shall be required to pay the remaining balance, upon the satisfactory completion of the Work. Customer further understands that the remaining balance shall be due within 5 days of Project Completion.

2.3 STATE AND FEDERAL TAXES

As Company is not an employee of Customer, Customer shall not take any action or provide Company with any benefits or commitments inconsistent with Company being an independent contractor. In particular:

1. Customer shall not withhold FICA (Social Security) from Company's payments.
2. Customer shall not make state or federal unemployment insurance contributions on behalf of Company or its personnel.
3. Customer shall not withhold state and federal income tax from payments to Company.
4. Customer shall not make disability insurance contributions on behalf of Company.
5. Customer shall not obtain workers' compensation insurance on behalf of Company or its personnel.

3 TERM

3.1 COMMENCEMENT

The term of this Agreement shall commence on the date set forth in a written agreement, signed by Customer and Company and shall continue through the period specified by both Customer and Company.

3.2 TERMINATION

Company and Customer may terminate this Agreement at any time, for any reason, with or without cause, by giving Customer or Company written notice of termination. Termination shall be effective within forty-eight hours of receipt of notice. If Customer terminates for convenience, it shall pay Company either for hours worked up to the date of termination, or in the case of a flat fee, for all accepted milestones and a prorated amount for partially completed deliverables. Company shall submit invoices to Customer for payment of all outstanding amounts and Customer shall pay all undisputed amounts within five (5) days of receipt of the invoices.

3.3 TERMINATION FOR REJECTION OF WORK

If any deliverable is rejected by Customer or is not delivered by its due date, the Customer may terminate this Agreement immediately by giving written notice to Company. Customer shall not owe any amount for deliverables which have not been accepted.

3.4 TERMINATION FOR MATERIAL BREACH

Either party has the right to terminate this Agreement if the other party breaches, or is in default of any obligation hereunder, which default is incapable of cure, or which, being capable of cure, has not been cured within fifteen (15) business days after receipt of written notice from the non-defaulting party, or within such additional cure period as the non-defaulting party may authorize.

3.5 REMAINING PAYMENTS

Within three (3) days of termination of this Agreement for any reason, Company shall submit to Customer an itemized invoice for any fees or expenses accrued under this Agreement. Customer, upon payment of accrued amounts so invoiced, shall thereafter have no further liability or obligation to Company whatsoever for any further fees or expenses arising hereunder.

3.6 SURVIVAL OF TERMINATION

Notwithstanding any termination of the terms of this Agreement, the rights and licenses granted under Section 6 and the Trade Secret and Proprietary Protection of Section 7 hereof shall continue in effect in accordance with their terms and the Confidentiality of Section 8.

4 INTELLECTUAL PROPERTY

4.1 OWNERSHIP

As between Company and Customer, except as set forth below in this Section 6, all right, title, and interest, including copyright interests and any other intellectual property, in and to the Work, or any deliverables created by the Work, including but not limited to any other programs, systems, data, or materials produced or provided by Company, alone or in combination with Customer and/or its employees, under this Agreement shall be the property of Company, as deemed in EXHIBIT B, End User License Agreement.

4.2 COMPANY DATA

All right, title, and interest in and to any data relating to Company's business are and shall remain the property of Company, whether or not supplied to Customer.

4.3 TRADE SECRETS

As used herein, the term "Trade Secret (s)" shall include, but not limited to, Company information encompassed in all patents, patent applications, copyrights, computer software, web documents, source codes, documentation and operating manuals for such software or source codes, scientific or technical data, information, design process, procedure, formula, or improvement that is commercially valuable to Company know-how, plans, proposals, marketing and sales plans, Company lists, Company files, financial information, costs, pricing information, risk analysis, information regarding Company prospects and dealers or distributors, and all concepts or ideas in or reasonably related to the business of Company (whether or not conceived by Customer or employees or agents of the Company) and not generally in the industry.

5 WARRANTY

5.1 WARRANTIES OF WORK

Company warrants and represents that it shall perform the Work with due diligence and in full compliance with the terms and conditions of this Agreement and the highest professional standards of one skilled in Company's industry. With respect to all subject matter, including ideas, inventions, creations, works, processes, designs and methods, that Company shall disclose, use, or authorized by Customer to use, in its performance of the Work or the granting of any rights under this Agreement, Company warrants and represents that it has the right to make such disclosures, use and grant without liability to others. Company further warrants that: (1) it is able to perform the Work and that it does have an understanding or agreement with anyone else to perform such Work; (2) the Work, the software, if any, and all other services, information, or materials it provides shall not in any way be derived from the confidential or proprietary information of any party other than Company or Customer unless specifically authorized in writing by such third party source, (3) the Work or software, if any, do not and shall not infringe any Intellectual Property Rights of others, unless given permission from third party; and (4) Company has full power to enter into this Agreement, to carry out its obligations under this Agreement.

6 AGREEMENT

6.1 GOVERNING LAW

This Agreement shall be governed and construed in all respects in accordance with the laws of the State of Arizona as they apply to a contract entered into and performed in the State.

6.2 INDEPENDENT CONTRACTORS

The parties are and shall be independent contractors to one another, and nothing shall be deemed to cause this Agreement to create an agency, partnership, or joint venture between the parties. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between Company and either Customer or any employee or agent of Customer.

6.3 NOTICES

All notices required or permitted hereunder shall be given in writing addressed to the respective parties as set forth herein, unless another address shall have been designated, and shall be delivered by hand or by registration or certified mail, postage prepaid.

6.4 ENTIRE AGREEMENT

This Agreement constitutes the entire agreement of the parties hereto and supersedes all representations, proposals, discussions, and communications, whether oral or in writing. This Agreement may be modified only in writing and shall be enforceable in accordance with its terms when signed by the party sought to be bound.

6.5 PARTIES IN INTEREST

This Agreement is enforceable only by Customer and Company. The terms of this Agreement are not a contract or assurance regarding compensation, continued employment, or benefit of any kind to any personnel assigned to Company's work, or any beneficiary of any such personnel, and no such personnel (or any beneficiary thereof) shall be a third-party beneficiary under or pursuant to the terms of this Agreement.

6.6 ARBITRATION AND MEDIATION

The parties agree that they shall endeavor to settle any dispute that arises under this Agreement by Mediation., the parties agree to conduct the Mediation in Maricopa County with the third party referred by the Lake County Bar Association under its rules for Mediation. The cost of the mediation shall be born equally by the parties. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof that has failed to settle mediation above, shall be settled by arbitration in Maricopa County, Arizona, administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator may award monetary damages, punitive damages, injunctive relief, recession, restitution, costs and attorney's fees. The arbitration award shall be final and binding

regardless of whether one of the parties fails or refuses to participate in the arbitration. The arbitrator shall not have the power to amend this Agreement in any respect.

6.7 ATTORNEY'S FEES

In the event of any dispute with respect to this Agreement, the prevailing party shall be entitled to reasonable attorney's fees incurred in resolving such dispute.

7 SUPPORT AND MAINTENANCE

7.1 UPDATES

Company provides minor updates and changes to developed Work with or without additional cost, for a period commensurate to the purchased package, from completion of said Work.

"Minor" is defined by Company as:

A) "Small" text or single image alterations, which do not constitute a change to the developed Graphical User Interface of the function, and in most cases do not involve the addition of function to and of the aforementioned Work.

B) Changes and alterations that take less than one (1) one man hour to complete.

The foregoing is agreed to by:

By Dropiom LLC

By Customer

Name _____

Name _____

Title _____

Title _____

Signature _____

Signature _____

Date _____

Date _____