

CONTOURS CONSULTING DESIGN GROUP, INC.

TERMS & CONDITIONS INFORMATION

1. TRAVEL AND INCIDENTAL EXPENSES

All out-of-pocket expenses such as photostats, blueprints, films, silk screens, paint, model materials, composition and etched proofs, long distance phone calls, etc., will be billed as additional costs to the quotation unless otherwise noted. All out-of-town travel costs and expenses for trips authorized by the Client will be billed at our cost. Auto expenses between Contours Consulting Design Group, Inc. and the Client's office and return to Contours Consulting Design Group, Inc. will be billed at the rate of 20¢ per mile.

2. CONFERENCE

Inasmuch as the frequency and duration of conferences are difficult to determine at this time, all conferences will be billed at the rate of \$100.00 per hour for Principals of the studio and \$75.00 per hour for Project Designers in addition to the amounts quoted in the foregoing proposal. Out-of-studio conferences are charged for on the basis of the time of departure to the time of return to our studio. Per diem charge is \$800.00 for Principals and \$600.00 for Project Designers.

3. ACCURACY OF QUOTATION

Because of the difficulty of quoting fixed costs for creative work, it must be understood that our quoted amounts are approximate and are to be considered subject to the normal professional tolerance of  $\pm 10\%$ .

4. RIGHTS IN THE DESIGN

All designs executed and used in products of the Client during the period of this agreement shall become and remain the property of the Client and any designs, idea sketches, or suggestions of the Designer or his staff not used by the Client during the period of this agreement shall remain the property of the Client. The Designer will treat as confidential any information about manufacturing processes, trade secrets, plans of the Client, etc., disclosed by the Client. The Designer will cooperate with the Client in any patent, copyright, or trademark application made by the Client and in any suits for infringement, unfair competition, etc., brought by the Client, but all such cooperation shall be at the Client's expense. Nothing in this paragraph shall give the Client any rights in the name of the Designer.

5. DESIGNER'S NAME

The Client may use the name of the Designer in connection with its products only on the prior written consent of the Designer and his approval of the product, advertisement, release of publicity containing such name.

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6. TERMINATION

This agreement may be terminated by the Client upon notice in writing, but such termination shall not release the Client from his obligation to pay the amounts due to date of such notice of termination.

7. ASSIGNMENT

Neither party hereto shall assign this agreement without the consent of the other; but if neither party is succeeded by another operation of law, this agreement shall be binding upon and inure to the benefit of the successor.

8. INITIATION OF WORK

Contours requires a Purchase Order Number prior to initiation of work on a project phase. This protects both the Client and Contours. It assures that time/cost quotations have been accepted by both parties and that their Purchasing and Accounting departments are appraised of the contracted work.

9. BILLING IN PROGRESS

Specific project phases can require substantial time/cost commitments by Contours. When appropriate, Contours shall invoice on a weekly basis. Notice of such an invoicing structure shall be delineated on phase quotations prior to initiation of work.

10. PAYMENT TERMS

Invoices will be submitted for payment at the completion of each phase or on a weekly basis as is delineated. Terms are NET 30 DAYS. Payment is to be made in U.S. dollars. There is a 1½% finance charge for amounts due over 30 days.

11. ADVANCE PAYMENT

50% of prototyping tooling cost is due upon receipt of Purchase Order. Remainder is due upon tooling completion. In cases of outside services such as photography, typesetting, blueprints, etc. that require a prepayment, Contours shall request such prepayments from Clients.

12. CHANGES

Changes or additions initiated by the Client, subsequent to quotation and/or during work in progress, will require additional quotation by Contours. Work in progress, either in total or in part, shall be suspended until the quotation process has been completed and change orders have been issued by the Client.

Rev. 5/8/89

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13. QUOTATIONS

Quotations are operative for sixty (60) days from the date of quotation. After sixty (60) days, Contours reserves the right to confirm or adjust quotations still pending approval.

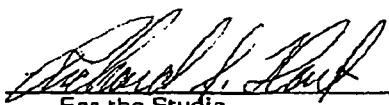
14. MODIFICATION OF AGREEMENT

This is the entire understanding of the parties and no modification or change herein shall be effective unless in writing and executed by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the

\_\_\_\_\_ day of \_\_\_\_\_ nineteen hundred and \_\_\_\_\_.

SIGNED: \_\_\_\_\_  
For the Client Title

SIGNED:  \_\_\_\_\_  
For the Studio PRESIDENT  
Title