



crayton.communications, llc

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## WEB SITE DEVELOPMENT AND MAINTENANCE AGREEMENT

This Agreement is made as of \_\_\_\_\_, (the "Effective Date") by and between \_\_\_\_\_, a \_\_\_\_\_ corporation with offices at \_\_\_\_\_ ("Corporation") and \_\_\_\_\_, Inc., a \_\_\_\_\_ corporation with offices at \_\_\_\_\_ ("Developer").

### RECITALS

A. Corporation wishes to have Developer create a Web site and maintain such Web site for Corporation on the Internet. Corporation shall employ a separate entity to provide access to the Internet.

B. Corporation wishes to retain Developer to develop the Web site.

**NOW, THEREFORE**, in consideration of the premises and mutual covenants and agreements set forth herein, Corporation and Developer agree as follows:

### **Section 1 DEFINITIONS**

1.1 Beta Version means a working version of the Web site recorded in executable form on the specified medium with any necessary supporting software and data, which has been fully tested by Developer prior to delivery and which Developer believes in good faith to be bug free and to fully implement all functions called for in the Specifications.

1.2 Corporation Content means the material provided by Corporation to be incorporated into the Web site.

1.3 Development Schedule shall be as set forth in Schedule "B" to this Agreement which lists the deliverable items contracted for ("Deliverables") and the deadlines for their delivery. "Payment Schedule" shall be as also set forth in Schedule "B".

1.4 Developer Tools means the software tools of general application, whether owned or licensed to Developer, which are used to develop the Web site.

1.5 Documentation means the documentation for the software and other material which implement the Web site.

1.6 Enhancements means any improvements to the Web site to implement new features or add new material. Enhancements shall include modifications to the Web site Content to make the Web site operate on a Server System of a new ISP.

1.7 Error means any failure of the Web site (i) to meet the Specifications and/or (ii) to operate with the Server System.

**1.8** Final Version means a non-copy protected and unencrypted disk master of the final version of the Web site, recorded in executable form on the specified medium with any necessary supporting software and data, as to which all development work hereunder, and corrections to the Beta Version, have been completed and which meets the Specifications.

**1.9** ISP means an Internet Service Provider which maintains the Web site on the World Wide Web portion of the Internet. The ISP may change from time to time.

**1.10** Specifications for the Web site shall be as set forth in Schedule "A" to this Agreement.

**1.11** Source Materials means (i) all documentation, notes, development aids, technical documentation and other materials provided to Developer by Corporation for use in developing the Web site, and (ii) the source code, documentation, notes and other materials which are produced or created by Developer during the development of the Web site, in such internally documented form as is actually used by Developer for development and maintenance of the Web site.

**1.12** Server System means the hardware and software system owned or licensed by the ISP.

**1.13** Web site Content shall mean (i) the graphic user interface, text, images, music and other material of the Web site developed by Developer under this Agreement which is visible to World Wide Web browsers and (ii) software (including cgi scripts and perl scripts) developed by Developer under this Agreement to implement the Web site. Web site Content shall not include the Developer Tools.

**1.14** Web site means the site to be developed for Corporation on the graphic portion of the Internet known as the World Wide Web which is described in the Specifications at the following address:\_\_\_\_\_.

## **Section 2 DEVELOPMENT AND DELIVERY OF DELIVERABLES**

**2.1** Development; Progress Reports. Developer shall use commercially reasonable efforts, to develop each Deliverable in accordance with the Specifications. Developer shall first prepare a design for the Web site. This design shall include drawings of the user interface, a schematic of how to navigate the Web site, a list of hyperlinks and other components. All development work will be performed by Developer or its employees at Developer's offices or by approved independent contractors who have executed confidentiality and work-for-hire/assignment agreements which are acceptable to Corporation. Developer agrees that no development work shall be performed by independent contractors without the express written approval of Corporation. Each week following execution of this Agreement during which any development and/or testing hereunder remains uncompleted, and whenever else Corporation shall reasonably request, Developer shall contact, or meet with Corporation's representative, and report all tasks completed and problems encountered relating to development and testing of the Web site. During such discussion or meeting, Developer shall advise Corporation in detail of any recommended changes with respect to remaining phases of development in view of Developer's experience with the completed development. In addition, Developer shall contact Corporation's representative promptly by telephone upon discovery of any event or problem that will materially delay development work, and thereafter, if requested, promptly confirm such report in writing.

**2.2** Delivery. Developer shall deliver all Deliverables for the Program within the times specified in the Development Schedule and in accordance with the Specifications. All Deliverables shall comply with the Submission Guidelines set forth in Schedule "A".

**2.3** Manner of Delivery. Developer agrees to comply with all reasonable requests of Corporation as to the manner of delivery of all Deliverables, which may include delivery by electronic means.

**2.4** Delivery of Source Materials. Upon request by Corporation, but in no event later than the delivery of the Final Version, Developer shall deliver to Corporation all Source Materials.

**Section 3**  
**TESTING AND ACCEPTANCE; EFFECT OF REJECTION**

**3.1 Testing and Acceptance Procedure.** All Deliverables shall be thoroughly tested by Developer and all necessary corrections as a result of such testing shall be made, prior to delivery to Corporation. Upon receipt of a Deliverable, Corporation will, in its sole discretion either: i) accept the Deliverable and make the milestone payment set forth in Schedule "B"; or, ii) provide Developer with written notice of the aspects in which the Deliverable contains Errors and request that Developer correct said Deliverable.

**3.2 Additional Quality Assurance.** If Corporation requests that Developer correct the Deliverable, Developer shall within five (5) calendar days of such notice, or such longer period as Corporation may allow, submit at no additional charge a revised Deliverable in which such Errors have been corrected. Upon receipt of the corrected Deliverable Corporation may, in its sole discretion: i) accept the corrected Deliverable and make the milestone payment set forth in Schedule "B"; or, ii) request that Developer make further corrections to the Deliverable and repeat the correction and review procedure set forth in this Paragraph **3.2**. In the event Corporation determines, in its sole discretion, that the Deliverable is still not acceptable after three attempts at correction by Developer, Corporation may terminate this Agreement.

**Section 4**  
**OTHER OBLIGATIONS OF DEVELOPER**

**4.1 Web site Quality.** Developer agrees that the Web site will be of high quality and will be free of defects in material and workmanship in all material respects. The Web site will conform in all respects to the functional and other descriptions contained in the Specifications. For a period of one year after the date of acceptance of the Final Version by Corporation, Developer agrees to fix at its own expense any Errors ("Warranty Period"). DEVELOPER DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

**4.2 Web site Maintenance.** Developer also agrees to provide Corporation with reasonable technical support and assistance to maintain and update the Web site on the World Wide Web during the Warranty Period at \$\_\_\_\_\_ cost to Corporation. Such assistance shall not exceed \_\_\_ hours per calendar month. After the expiration of the Warranty Period, Developer agrees to provide Corporation with reasonable technical support and assistance to maintain and update the Web site on the World Wide Web for \$\_\_\_\_\_ annual fee for five years after the last day of the Warranty Period ("Maintenance Period"). Such maintenance shall include correcting any Errors or any failure of the Web site to conform to the Specifications. Maintenance shall not include the development of Enhancements at the time of the notice.

**4.3 Enhancements.** During the Maintenance Period, if Developer wishes to modify the Web site, it may request that Developer provide a bid to provide such Enhancements. Developer shall provide Corporation a first priority on its resources to create the Enhancements over any other third party with the exception of obligations under contracts with third parties existing on the date of the notice. Such services shall be provided on a time and materials basis at the most favored price under which Developer provides such services to third parties.

**Section 5**  
**PROPRIETARY RIGHTS**

**5.1 Corporation's Ownership Rights.** Developer acknowledges and agrees that the Web site Content and Documentation, including but not limited to images, graphic user interface, source and object code, and any documentation and notes associated with the Web site are and shall be the property of Corporation. Title to all property rights including but not limited to copyrights, trademarks, patents and trade secrets in the Web site Content and Documentation is with, and shall remain with, Corporation.

**5.2 Assignment of Rights.** Developer agrees to transfer and assign, and hereby transfers and assigns to

Corporation its entire right, title and interest worldwide, if any, including without limitation all copyright ownership therein, no matter when acquired, in the Web site Content and Documentation. Developer agrees to cooperate with Corporation in perfecting any such assignment of rights, including without limitation by executing and delivering such documents as Corporation may request. During and after the term of this contract, Developer will assist Corporation in every reasonable way, at Corporation's expense, to establish original ownership of all such rights on the part of Corporation. Developer hereby waives any and all claims that Developer may now or hereafter have in any jurisdiction to so-called "moral rights" with respect to the results of Developer's work and services hereunder.

**5.3** License to Web site Content. Corporation grants to Developer a non-exclusive, worldwidelicense to reproduce and modify the Corporation Content to develop and maintain the Web site.

**5.4** Internet Access. Corporation shall be responsible for obtaining access to the Internet through an ISP. Developer shall not be responsible for such access and shall not be considered a party to the agreement between ISP and Corporation. Although the Web site will be hosted by the ISP, the ISP will not be a party to this Agreement nor will it be a third party beneficiary of this Agreement.

**5.5** Liability for Corporation Content. Developer shall not be liable for the modification, display or other use of the Corporation Content.

## **Section 6 PAYMENT**

**6.1** Payment Schedule. The development fees set forth in Schedule "B" shall be paid as provided in such Schedule.

**6.2** Maintenance Fees. Maintenance fees shall be due thirty (30) days prior to the commencement date of each year of the Maintenance Period.

**6.3** Taxes. Developer shall be responsible for the payment of all sales, use and similar taxes.

## **Section 7 CONFIDENTIALITY**

**7.1** Confidential Information. The terms of this Agreement, the Source Materials and technical and marketing plans or other sensitive business information, including all materials containing said information, which are supplied by the Corporation to Developer or developed by Developer in the course of developing the Web site is the confidential information ("Confidential Information") of Corporation.

**7.2** Restrictions on Use. Developer agrees that except as authorized in writing by Corporation: (i) Developer will preserve and protect the confidentiality of all Confidential Information; (ii) Developer will not disclose to any third party, the existence, source, content or substance of the Confidential Information or make copies of Confidential Information; (iii) Developer will not deliver Confidential Information to any third party, or permit the Confidential Information to be removed from Developer's premises; (iv) Developer will not use Confidential Information in any way other than to develop the Web site as provided in this Agreement; (v) Developer will not disclose, use or copy any third party information or materials received in confidence by Developer for purposes of work performed under this Agreement; and (vi) Developer shall require that each of its employees who work on or have access to the materials which are the subject of this Agreement sign a suitable confidentiality and work-for-hire/assignment agreement and be advised of the confidentiality and other applicable provisions of this Agreement.

**7.3** Limitations. Information shall not be considered to be Confidential Information if Developer can demonstrate that it (i) is already or otherwise becomes publicly known through no act of Developer; (ii) is lawfully received from third parties subject to no restriction of confidentiality; (iii) can be shown by Developer to have been independently developed by it without use of the Confidential Information; or (iv) is authorized in writing by

Corporation to be disclosed, copied or used.

**7.4** Return of Source Materials. Upon Corporation's acceptance of the Final Version, or upon Corporation's earlier request, Developer shall provide Corporation with all copies and originals of the Web site Content, Corporation Content and Source Materials, as well as any other materials provided to Developer, or created by Developer under this Agreement. Not later than seven (7) days after the termination of this Agreement for any reason, or if sooner requested by Corporation, Developer will return to Corporation all originals and copies of the Confidential Information, Web site Content, Corporation Content and Source Materials, as well as any other materials provided to Developer, or created by Developer under this Agreement except that Developer may retain one copy of the Web site Content and Source Materials, which will remain the Confidential Information of Corporation, for the sole purpose of assisting Developer in maintaining the Web site. Developer shall return said copy to Corporation promptly upon request by Corporation.

## **Section 8**

### **WARRANTIES COVENANTS AND INDEMNIFICATION**

**8.1** Warranties and Covenants of Developer. Developer represents, warrants and covenants to Corporation the following:

(a) Developer has the full power to enter into this Agreement and perform the services provided for herein, and that such ability is not limited or restricted by any agreements or understandings between Developer and other persons or companies;

(b) Any information or materials developed for, or any advice provided to Corporation, shall not rely or in any way be based upon confidential or proprietary information or trade secrets obtained or derived by Developer from sources other than Corporation unless Developer has received specific authorization in writing to use such proprietary information or trade secrets;

(c) Except to the extent based on the Corporation Content, the Web site Content and Documentation do not infringe upon or misappropriate, any copyright, patent right, right of publicity or privacy (including but not limited to defamation) trade secret or other proprietary rights of any third party.

(d) Its performance of this Agreement will not conflict with any other contract to which Developer is bound, and while developing the Web site, Developer will not engage in any such consulting services or enter into any agreement in conflict with this Agreement.

**8.3** Developer's Indemnity. Developer agrees to indemnify, hold harmless and defend Corporation and its directors, officers, its employees and agents from and against all claims, defense costs (including reasonable attorneys' fees), judgments and other expenses arising out of or on account of such claims, including without limitation claims of:

(a) alleged infringement or violation of any trademark, copyright, trade secret, right of publicity or privacy (including but not limited to defamation), patent or other proprietary right with respect to the Web site Content or Documentation to the extent Developer has modified or added to the materials provided by Corporation;

(b) any use of confidential or proprietary information or trade secrets Developer has obtained from sources other than Corporation;

(c) Any negligent act, omission, or willful misconduct of Developer in the performance of this Agreement;  
and

(d) the breach of any covenant or warranty set forth in Section 8.1 above.

**8.4** Conditions to Indemnity. Developer's obligation to indemnify is conditioned on Corporation's notifying



Developer promptly of any claim as to which indemnification will be sought and providing Developer reasonable cooperation in the defense and settlement thereof.

**8.5** Corporation's Indemnification. Corporation agrees to indemnify, hold harmless and defend Developer and its directors, officers, its employees and agents from and against all claims, defense costs (including reasonable attorneys' fees), judgments and other expenses arising out of the breach of the following covenants and warranties:

(a) Corporation possesses full power and authority to enter into this Agreement and to fulfill its obligations hereunder.

(b) The performance of the terms of this Agreement and of Corporation's obligations hereunder shall not breach any separate agreement by which Corporation is bound.

(c) The Corporation Content does not infringe or violate any trademark, copyright, trade secret, right of publicity or privacy (including but not limited to defamation), patent or other proprietary right.

**8.6** Conditions to Indemnity. Corporation's obligation to indemnify is conditioned on Developer's notifying Corporation promptly of any claim as to which indemnification will be sought and providing Corporation reasonable cooperation in the defense and settlement thereof.

## **Section 9 TERMINATION**

**9.1** Termination for Non-Performance or Delay. In the event of a termination of this Agreement by Corporation pursuant to Paragraph **3.2** hereof, Corporation will have no further obligations or liabilities under this Agreement. Corporation will have the right, in addition to all of its other rights, to require Developer to deliver to Corporation all of Developer's work in progress, including all originals and copies thereof, as well as any other materials provided to Developer, or created by Developer under this Agreement. Payment of any Development Schedule milestones under Schedule "B" which have been met shall be deemed payment in full for all obligations of Corporation under this Agreement, including full payment for all source code, object code, documentation, notes, graphics and all other materials and work relating to the portion of the Program which has been completed as of the time of termination.

**9.2** Termination for Convenience. Corporation shall have the right at any time to terminate this Agreement on twenty one (21) days written notice. In the event of such termination, Corporation's entire financial obligation to Developer shall be for then accrued payments due under the Development Schedule, plus the pro-rated portion of the next payment, if any, due with respect to items being worked on up to the time of termination.

## **Section 10 GOVERNING LAW AND DISPUTE RESOLUTION**

**10.1** Arbitration. The parties agree to submit any dispute arising out of or in connection with this Agreement to binding arbitration in San Francisco, California before the American Arbitration Association pursuant to the provisions of this Section 10.1, and, to the extent not inconsistent with this Section 10.1, the rules of the American Arbitration Association. The parties agree that such arbitration will be in lieu of either party's rights to assert any claim, demand or suit in any court action, (provided that either party may elect either binding arbitration or a court action with respect to a breach by the other party of such party's proprietary rights, including without limitation any trade secrets, copyrights or trademarks). Any arbitration shall be final and binding and the arbitrator's order will be enforceable in any court of competent jurisdiction.

**10.2** Governing Law; Venue. The validity, construction, and performance of this Agreement shall be governed by the laws of the state of \_\_\_\_\_, and all claims and/or lawsuits in connection with agreement must be brought in \_\_\_\_\_.

**Section 11**  
**MISCELLANEOUS PROVISIONS**

**11.1 Notices.** For purposes of all notices and other communications required or permitted to be given hereunder, the addresses of the parties hereto shall be as indicated below. All notices shall be in writing and shall be deemed to have been duly given if sent by facsimile, the receipt of which is confirmed by return facsimile, or sent by first class registered or certified mail or equivalent, return receipt requested, addressed to the parties at their addresses set forth below:

If to Developer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

If to Corporation:

\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

**11.2 Designated Person.** The parties agree that all materials exchanged between the parties for formal approval shall be communicated between single designated persons, or a single alternate designated person for each party. Neither party shall have any obligation to consider for approval or respond to materials submitted other than through the Designated Persons. Each party shall have the right to change its Designated Persons from time to time and to so notify the other.

**11.3 Entire Agreement.** This Agreement, including the attached Schedules which are incorporated herein by reference as though fully set out, contains the entire understanding and agreement of the parties with respect to the subject matter contained herein, supersedes all prior oral or written understandings and agreements relating thereto except as expressly otherwise provided, and may not be altered, modified or waived in whole or in part, except in writing, signed by duly authorized representatives of the parties.

**11.4 Force Majeure.** Neither party shall be held responsible for damages caused by any delay or default due to any contingency beyond its control preventing or interfering with performance hereunder.

**11.5 Severability.** If any provision of this Agreement shall be held by a court of competent jurisdiction to be contrary to any law, the remaining provisions shall remain in full force and effect as if said provision never existed.

**11.6 Assignment.** This Agreement is personal to Developer. Developer may not sell, transfer, sublicense, hypothecate or assign its rights and duties under this Agreement without the written consent of Corporation. No rights of Developer hereunder shall devolve by operation of law or otherwise upon any receiver, liquidator, trustee, or other party. This Agreement shall inure to the benefit of Corporation, its successors and assigns.

**11.7 Waiver and Amendments.** No waiver, amendment, or modification of any provision of this Agreement shall be effective unless consented to by both parties in writing. No failure or delay by either party in exercising any rights, power, or remedy under this Agreement shall operate as a waiver of any such right, power, or remedy.

**11.8 Agency.** The parties are separate and independent legal entities. Developer is performing services for Corporation as an independent contractor. Nothing contained in this Agreement shall be deemed to constitute either Developer or Corporation an agent, representative, partner, joint venturer or employee of the other party for any purpose. Neither party has the authority to bind the

other or to incur any liability on behalf of the other, nor to direct the employees of the other. Developer is an independent contractor, not an employee of Corporation. No employment relationship is created by this Agreement. Developer shall retain independent professional status throughout this Agreement and shall use his/her own discretion in performing the tasks assigned.

**11.9 Limitation on Liability; Remedies.** Except as provided in Section 8 above with respect to third party indemnification, neither party shall be liable to the other party for any incidental, consequential, special, or punitive damages of any kind or nature, including, without limitation, the breach of this Agreement or any termination of this Agreement, whether such liability is asserted on the basis of contract, tort (including negligence or strict liability), or otherwise, even if either party has warned or been warned of the possibility of any such loss or damage.

IN WITNESS WHEREOF, this Agreement is executed as of the Effective Date set forth above.

[Corporation]

[Developer]

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

Its: \_\_\_\_\_  
Title

Its: \_\_\_\_\_  
Title

**SCHEDULE A  
SPECIFICATIONS**

**SCHEDULE B  
DEVELOPMENT AND PAYMENT SCHEDULE**

<u>Item</u>	<u>Due Date</u>	<u>Payment Upon Acceptance</u>
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Contract Signing

Delivery of Web site Design

Delivery of Beta Version

Delivery of Final Version  
and Source Materials

Acceptance of Final Version  
by \_\_\_\_\_

TOTAL:

Each of the foregoing milestone payments shall be payable upon Corporation's acceptance of an acceptable Deliverable.

Bonus. Corporation agrees to pay Developer a bonus of \$\_\_\_\_\_ which shall be payable to Developer in the event Developer delivers a Final Version of the Web site which is acceptable to Corporation prior to \_\_\_\_\_.