



**Pelago**  
**Web Maintenance Contract – Pre Pay Care**  
Version 4.1

---

**Web Maintenance Contract**

We realize the importance of your online application and we want to be able to respond timely to your needs. The maintenance program is a great way to utilize our team and talent to supplement your team.

With Pre Pay Care you will receive:

- **Guaranteed Response:** For bugs / application issues / and maintenance.
- **Guaranteed Labor Hours:** To complete the work you need on time.
- **Online Work Request Tracking System:** All work requests are tracked via Intervals (Pelago's web-based time and task management system – [www.myintervals.com](http://www.myintervals.com)). Simply send an email to [project@pelagodesign.com](mailto:project@pelagodesign.com) to submit a work request.

**To begin the maintenance contract please complete page seven and fax contract to 805.568.5347.**

Once the signed contract has been received an invoice will be issued for the corresponding contract amount.

If you have any questions, don't hesitate to call us at **805.568.5346**.

To learn more about our team and history please visit [www.pelagodesign.com](http://www.pelagodesign.com).

---

## Pre Pay Care

---

Reserve Pelago talent and resources with a guaranteed response time. When work is needed your team is already in place. This contract is similar to buying a "bucket" of hours.

### Hour Usage:

Guaranteed response time is determined by the Package selected as stated below. Hours that are not used within one year from the date the contract is signed do not expire but the guaranteed response time is no longer valid. Rollover hours will be scheduled for completion at Pelago's discretion.

Please email all work requests to [project@pelagodesign.com](mailto:project@pelagodesign.com).

### Payment:

Payments can be made by check or credit card at contract acceptance. Upon hours expiring, Pelago will require another payment to refresh the maintenance contract. Refreshing the contract extends the contract expiration date by one year. Receipts will be sent to client upon bank approval and clearing. Pelago estimates and tracks all used hours and will report updates notifying of account balances upon request.

### Package Levels

Initials	Package	Initial Payment	Response Time*	Length of Agreement	Total Estimated Hours**	Hourly Discount
	1	\$5,000	5 days	1 year	37	0%
	2	\$8,000	4 days	1 year	61	3%
	3	\$10,000	4 days	1 year	78	5%
	4	\$15,000	3 days	1 year	121	8%
	5	\$20,000	2 days	1 year	164	10%

### The Fine Print

- \*Response time is defined as Pelago's attention and resources towards the issue, not completion of the specific issue. Pelago will continue to allocate resources until the issue is resolved.
- \*\*Estimated hours based on average hourly rate of \$135 (before discount is applied). Actual hourly rate will vary depending on work performed.
- "Days" outlined above are standard Monday thru Friday business days.
- All work is billed in 1/8 hour increments.

## Rate Sheet (version 4.1)

---

The rates listed below are the default rates if no discount is applied. Depending on which maintenance contract is selected, the corresponding hourly discount will be applied to these rates:

Type of Work	Hourly Rate
Abstract Design	\$150.00
Advanced Production	\$175.00
Design	\$150.00
Database Administration	\$175.00
Engineering	\$175.00
Hosting	\$125.00
Meeting	\$125.00
Motion Production	\$150.00
Production	\$150.00
Project Management	\$125.00
Quality Assurance Testing	\$125.00
Research	\$125.00
Rush Fee	\$225.00
Site Strategy	\$175.00
System Administration	\$175.00

### Definitions

**Abstract Design (AD)** is taking Site Strategy and communicating it in visual form. This includes wire frames, site maps, flow diagrams, and other forms of documentation.

**Advanced Production (AP)** typically involves JavaScript and client side technologies to handle forms, form validation, dynamic mouseovers, menu navigation, AJAX effects, etc.

**Design (D)** is the utilization of a graphic designer or for the development of visual direction or visual design. This includes color theory, use of lines, use of texture, and other means necessary for maximum visual impact.

**Database Administration (DB)** includes information level and physical level database design, UML, Entity Relationship Diagrams (ERD), SQL tuning, data definition language & data manipulation language.

**Engineering (E)** is the use of a programmer using server-side scripting languages to add advanced features and functionality to a web project. Included within this category are: PHP, ASP, .NET, and CGI programming.

**Hosting (H)** involves activities such as analyzing web stats, domain name registration, domain name transfers, or researching hosting companies.

**Meeting (M)** face-to-face or phone time that is organized and structured and typically includes an agenda.

**Motion Production (MP)** is the use of a web programmer to produce motion or video. This includes Macromedia Flash, QuickTime, QTVR and other motion related web technologies.

**Production (P)** is the use of a web programmer to produce browser-based templates and collateral elements which meet project goals and guidelines. This includes HTML, XHTML, cascading style sheets (CSS) and basic JavaScript.

**Project Management (PM)** is the defining, planning, scheduling, and controlling of the tasks that must be completed to reach your goal and the allocation of the resources to perform those tasks. Project Management involves balancing the tradeoffs between time, cost & scope to create the best possible end product.

**Quality Assurance (QA)** is ensuring that expected outcomes match actual outcomes. Testing may include ad-hoc testing, creating test cases and browser compatibility.

**Rush Fee (RF)** can be utilized if work needs to be executed faster than the response time stated in the level of maintenance contract. This fee is the stated fee regardless of the type of work performed.

**Research (R)** occasionally clients request integration with existing technologies or third party applications, but aren't sure about the ramifications to their current web site. This billable type is used to investigate solutions, install demo programs, and analyze software to make the best possible solution.

**Site Strategy (SS)** involves analyzing business goals for a site and coming up with an effective plan to achieve those goals. Site Strategy is the thinking and planning that all other aspects of the site follow.

**System Administration (SY)** involves activities performed by a system administrator (or "admin", "sysadmin", "site admin") such as configuring servers, installing Operating Systems or modules, implementing redundancy schemes, monitoring security configuration, monitoring disk space and other resource use, performing backups, and setting up new hardware and software.

## Contract Terms and Acceptance

### *Copyrights and Trademarks*

A. Use of photo/graphics programs, web site shopping cart programs, and web site development, Database and programs utilized by PELAGO CORPORATION in creating the Web Application Project under this Agreement, but not owned by PELAGO CORPORATION, is limited to the PELAGO CORPORATION's use only; the products themselves remain the property of their respective owners. CLIENT acknowledges that PELAGO CORPORATION owns or holds a license to use various preexisting development tools, routines, subroutines, techniques and other programs, data and materials that PELAGO CORPORATION may include in the Web Application Project developed under this Agreement. PELAGO CORPORATION (a) shall retain all right, title and interest, including all copyright, patent rights and trade secret rights in the Background Technology, and (b) hereby grants to CLIENT, to the extent it is legally able to do so, a nonexclusive, perpetual, worldwide license to use the Background Technology in the Web Application Project developed for and delivered to CLIENT under this Agreement. Such license is transferable as part of any sale, assignment, or other transfer of the entire Web Application Project being delivered by PELAGO CORPORATION pursuant to this Agreement. CLIENT shall not grant to any other person any licenses to use any Background Technology unique to this Web Application Project without PELAGO CORPORATION's written consent.

B. PELAGO CORPORATION represents and warrants to CLIENT that (i) PELAGO CORPORATION has full right and every lawful power and authority, without the consent of any other party, to create the Web Application Project and to transfer title to the same to CLIENT and to grant the licenses in the Background Technology as contemplated by this section, and (ii) except to the extent of any matter for which CLIENT is providing to PELAGO CORPORATION a representation, Web Application Project does not and shall not infringe the rights of any other party, except for such rights as are covered by licenses granted to CLIENT pursuant to this Section C. PELAGO CORPORATION shall indemnify, defend, and hold CLIENT free and harmless from and against all claims, costs, damages, and expenses arising from or relating to any breach of the foregoing representation or warranty.

### ***Domain Names, Site Hosting, and Search Engines***

In the event that PELAGO CORPORATION coordinates domain name registration for CLIENT, upon confirmation of registration of the Domain Name with third party REGISTRAR, PELAGO CORPORATION will provide REGISTRAR'S confirmation documentation. PELAGO CORPORATION does not warrant registration of Domain Names. In the event that PELAGO CORPORATION coordinates and/or recommends web site hosting services, other companies will provide these services. CLIENT understands that PELAGO CORPORATION does not provide on site hosting services. PELAGO CORPORATION shall not be liable to CLIENT or any of its customers for any claims or losses or damages of any and every nature, resulting from inability to register domain names, the loss of data, inability to access Internet, or inability to transmit or receive information, caused by, or resulting from, delays, failed servers, nondeliveries, or service interruptions whether or not caused by the fault or negligence of PELAGO CORPORATION. PELAGO CORPORATION cannot guarantee the ranking position of any URL submission to Search Engines.

### ***Web Browser, Monitor Resolution Default***

CLIENT understands and agrees that all web site pages will be designed for the largest online viewing audience at default of 1024 x 768 pixel resolution unless otherwise stated. Production will be optimized and quality tested for the following browsers unless otherwise stated: Mac - (Safari, Firefox 2.x, Firefox 3.x), PC (IE 7.x, Firefox 2.x, Firefox 3.x). These defaults may be altered in writing and signed by both parties BEFORE web site production has begun. In the event the CLIENT requests modifications after production has begun, PELAGO CORPORATION will bill at the stated hourly rate.

### ***Scope of Service***

Copyrighting and/or copy-editing are not considered as part of the design process and are billed in addition to the agreed-upon design fees. CLIENT is encouraged to write copy for any and all web site pages and other online promotional pieces. In the event that CLIENT decides to write copy for the CLIENT web site, all text will be provided to PELAGO CORPORATION in "Microsoft Word" format and spell checked, for incorporation into the HTML coding of the CLIENT web site. All photos/graphics, database and editorial content will be provided on CDs.

### ***No Warranty***

The developer content furnished under this agreement is provided on an "as is" basis, without any warranties or representations expressed, implied, or statutory; including, without limitation, warranties of quality, performance, noninfringement, merchantability, or fitness for a particular purpose. Nor are there any warranties created by a course of dealing, course of performance, or trade usage. PELAGO CORPORATION does not warrant that the operation of the site will be continual, uninterrupted, or error free.

### ***Payment of Fees***

CLIENT agrees to pay total fees as described in the Package Levels above.

### ***Late Payment of Fees***

Payment is due and payable upon presentation of an invoice. Delinquent bills will be assessed a \$100 charge if payment is not received within 30 days of the due date. If an amount remains delinquent 30 days after its due date, an additional 3% penalty will be added for each month of delinquency. The grant of any license or right of copyright is conditioned on receipt of full payment. In case collection proves necessary, the CLIENT agrees to pay all fees incurred by PELAGO CORPORATION in that process. PELAGO CORPORATION may discontinue or suspend service to CLIENT until payment is made. This Agreement becomes effective only when signed by PELAGO CORPORATION. Regardless of the place of signing of this Agreement, CLIENT agrees that for purposes of venue, this contract was entered into in Santa Barbara, California, and any dispute will be litigated, arbitrated, or mediated in Santa Barbara, California.

**Mediation**

If any dispute arises under this Agreement and the amount in controversy exceeds \$5,000.00, then such dispute shall be submitted to non-binding mediation in Santa Barbara, California. CLIENT and PELAGO CORPORATION will each select a mediator. The two so selected mediators shall select a third mediator, and that third mediator shall hear and determine the controversy and render his or her decision. If any action or proceeding is commenced to construe this Agreement or to enforce the rights and duties created hereunder, then the party prevailing in that action or proceeding shall be entitled to recover its costs and fees in that action, as well as the costs and fees of appealing and enforcing any judgment entered therein.

**Termination**

Either party may cancel this contract. If CLIENT cancels contract, fees paid to date are non refundable. If either party breaches its obligations under this contract, and such breach is not cured within ten (10) days following the date on which the other party (the "non-breaching party") delivers to the breaching party written notice specifying the breach, then at the election of the non-breaching party this Agreement shall terminate at the expiration of that 10-day period. Such election shall be made by the non-breaching party's delivering to the breaching party, within five (5) days after the end of that 10-day period, written notice of termination. Notwithstanding any termination hereunder, (a) CLIENT shall remain liable to pay PELAGO CORPORATION the costs and fees that have accrued under this Agreement prior to the effective date of termination, and (b) all rights and duties of the parties shall survive the termination of this Agreement.

**Association Rights**

CLIENT authorizes PELAGO CORPORATION to use CLIENT's name, web site, web site logos and CLIENT testimonials for any and all advertising and promotional purposes in PELAGO CORPORATION'S brochures, newspapers and magazine advertisements, and on PELAGO CORPORATION'S web site as part of a design portfolio presentation.

**Miscellany**

This Agreement constitutes the entire understanding between the parties. Only an instrument in writing signed by both parties can modify the terms of this agreement. A waiver of a breach of any of the provisions of this Agreement shall not be construed as a continuing waiver of other breaches of the same or other provisions hereof. It is intended that each paragraph of this Agreement shall be viewed as separate and divisible, and in the event that any paragraph shall be held to be invalid, the remaining paragraphs shall continue to be in full force and effect.

This Agreement shall be binding on, and inure to the benefit of, the parties' heirs, successors, assigns, and personal representatives. This Agreement shall be governed by the laws of the State of California.

---

**To begin your Pre Pay Care (Version 4.1) Maintenance contract:**

1. Circle the package level and select the start date
2. Add who is authorized to submit requests in the Master Access List
3. Complete the client and billing information including signature
4. Fax the contract to 805.568.5347

Package	Start Date
Package 1 \$5,000	
Package 2 \$8,000	
Package 3 \$10,000	
Package 4 \$15,000	
Package 5 \$20,000	
please circle above	

**Master Access List**

In the space provided blow, please provide the name of each employee who is authorized to make maintenance requests. If more space is needed, please feel free to fax or email a separate document:

	First Name	Last Name	Phone	Email
1.				
2.				
3.				

Company: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Billing Information**

Billing Contact: \_\_\_\_\_

Address 1: \_\_\_\_\_

Address 2: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_



Name: \_\_\_\_\_

Signature: \_\_\_\_\_

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

Date: \_\_\_\_\_