



THIS IS A LEGAL AGREEMENT BETWEEN YOU ("CUSTOMER"), IN CONNECTION WITH YOUR PURCHASE, LICENSE, INSTALLATION, AND USE OF "IN HOUSE DIGITAL PUBLISHING SOFTWARE," AND AGLAIA SOFTWARE INC., DBA INHOUSEDIGITALPUBLISHING.COM ("IHDP"). THIS AGREEMENT STATES THE TERMS AND CONDITIONS UNDER WHICH CUSTOMER MAY USE THE IN HOUSE DIGITAL PUBLISHING SOFTWARE. BY CLICKING ON THE ACCEPT BUTTON, INSTALLING, HAVING SOFTWARE INSTALLED ON CUSTOMER'S BEHALF, COPYING, HAVING IN HOUSE DIGITAL PUBLISHING SOFTWARE COPIED ON CUSTOMER'S BEHALF, USING OR HAVING SOFTWARE USED ON CUSTOMER'S BEHALF, OR PHYSICALLY SIGNING OR ACKNOWLEDGING THIS AGREEMENT, CUSTOMER INDICATES THAT CUSTOMER HAS READ AND UNDERSTANDS THIS AGREEMENT AND AGREES TO BE BOUND BY THE TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT. IF "IN HOUSE DIGITAL PUBLISHING SOFTWARE" IS INSTALLED, COPIED OR USED ON BEHALF OF CUSTOMER, THE TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT SHALL APPLY TO CUSTOMER AS WELL AS TO THE INDIVIDUAL OR ENTITY INSTALLING, COPYING OR USING "IN HOUSE DIGITAL PUBLISHING SOFTWARE" ON BEHALF OF CUSTOMER.

IF CUSTOMER DOES NOT AGREE WITH THE TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT, DO NOT INSTALL OR USE "IN HOUSE DIGITAL PUBLISHING SOFTWARE" AND RETURN "IN HOUSE DIGITAL PUBLISHING SOFTWARE" TO IHDP.

This IN HOUSE DIGITAL PUBLISHING SOFTWARE AGREEMENT ("Agreement") is made by and between the Customer (as defined above) and AGLAIA SOFTWARE INC., dba INHOUSEDIGITALPUBLISHING.COM ("IHDP"), a corporation with offices located at 5000 PARKWAY CALABASAS, SUITE 106A, CALABASAS CA 91302, as of the Effective Date.

WHEREAS, IHDP owns that certain In House Digital Publishing Software application entitled In House Digital Publishing Software; and

WHEREAS, Customer has had an opportunity to review and approve the functions and utilities of In House Digital Publishing Software and is familiar with the use and operation of In House Digital Publishing Software; and

WHEREAS, Customer has independently determined that In House Digital Publishing Software will meet the needs of Customer for a digital publishing software capable of creating dynamic, digital publications for approved material for company use of In House Digital Publishing Software application at the Facility (as defined below); and

WHEREAS, Customer desires to receive a license to use In House Digital Publishing Software.

NOW THEREFORE, in consideration of the mutual benefits of the covenants and restrictions herein contained, IHDP and Customer hereby agree as follows:

Section 1.01 – Recitals: The above recitals and identification of parties are true and correct.

Section 1.02 – Definitions: The following definitions shall apply:

- (1) In House Digital Publishing Software: The term "In House Digital Publishing Software" shall mean the object code for that certain In House Digital Publishing Software application, including the Documentation, as provided by IHDP to Customer hereunder, including Updates. In House Digital Publishing Software™ is a trademark and service mark of IHDP.

- (2) Activation Date: The term "Activation Date" shall mean the date that the licensed version of In House Digital Publishing Software is activated for the first time on any of Customer's computers, by Customer's entry of the license key into Customer's installation of In House Digital Publishing Software, automatic communication with IHDP through the Internet, and activation of all licensed features on that particular computer, as described in Section 2.04 of this Agreement.
- (3) Access: The term "Access" and variants thereof shall mean to store data in, retrieve data from or otherwise approach or make use of (directly or indirectly) through electronic means or otherwise.
- (4) Approved Material: The term "Approved Material" shall mean any material that may be converted into a digital publication that is property of the Customer. Any material that is not related to the Customer's business or is given by a third party to the Customer for conversion or is converted by the IHDP software for a fee does NOT fall under the term "Approved Material."
- (5) Associate: The term "Associate" shall mean an employee of IHDP or an independent contractor hired by IHDP.
- (6) Authorized Person: The term "Authorized Person" shall mean Customer or employees of Customer who agree in writing to maintain the confidentiality of Confidential Information and individuals or organizations who are authorized in writing by IHDP to receive Confidential Information and who agree in writing to maintain the confidentiality of such Confidential Information.
- (7) Cancellation Notice: The term "Cancellation Notice" shall mean that written notice sent by IHDP to Customer seeking to cancel this Agreement because of breach of this Agreement by Customer.
- (8) Confidential Information: The term "Confidential Information" shall mean all information concerning this Agreement, In House Digital Publishing Software, and the business and technical plans of IHDP which is disclosed by IHDP to Customer or learned by Customer.
- (9) Defects: The term "Defects" shall mean programming errors which substantially impair the performance, utility and functionality of In House Digital Publishing Software, as represented in the Documentation.
- (10) Defect Notice: The term "Defect Notice" shall mean that certain written notice from Customer to IHDP identifying Defects.
- (11) Documentation: The term "Documentation" shall mean the In House Digital Publishing Software user guide (in electronic or printed format) as delivered to Customer on the Activation Date.
- (12) Documentation Fee: The term "Documentation Fee" shall mean the sum of money paid by Customer to IHDP for additional copies of Documentation requested by Customer pursuant to Section 3.02. determined in accordance with IHDP then standard rates as of the date Customer's request for additional copies of the Documentation is received by IHDP.
- (13) Effective Date: The term "Effective Date" shall mean the date this Agreement is entered into between IHDP and Customer, or the date of first installation, activation, or use of In House Digital Publishing Software by Customer, whichever is earliest.
- (14) Event of Bankruptcy: The term "Event of Bankruptcy" shall mean: (1) the filing of a petition under any insolvency or bankruptcy statute seeking the declaration of Customer as insolvent or bankrupt; (2) the filing of any action seeking receivership or reorganization of Customer pursuant to or under any insolvency or bankruptcy statute; or (3) the filing of any involuntary petition against Customer pursuant to any insolvency or bankruptcy statute if such petition shall remain unstayed or undismissed for a period of ten (10) days after filing.

- (15) Enterprise License: The term "Enterprise License" shall mean the expanded license granted to Customer under Section 2.02 of this Agreement.
- (16) Facility: The term "Facility" shall mean the location where the In House Digital Publishing Software is used.
- (17) Implement: The term "Implement" and variants thereof (including, but not limited to, the terms "implementation", "implementing" and "implemented") shall mean to load.
- (18) Maintenance Services: The term "Maintenance Services" shall mean Defect resolution services concerning In House Digital Publishing Software as provided by IHDP to Customer for the prevailing fees and time and material rates published by IHDP and subject to IHDP standard maintenance terms.
- (19) Price: The term "Price" shall mean the total price to be paid by Customer to IHDP for licensing In House Digital Publishing Software, as set forth in the Price Schedule.
- (20) Price Schedule: The term "Price Schedule" shall mean the schedule of current prices maintained by IHDP, for its products and services, as amended by IHDP from time to time at its sole discretion.
- (21) Sales Agreement: The term "Sales Agreement" shall mean and collectively include any and all written agreements between Customer and IHDP, other than this Agreement, including (without limitation) all purchase orders, invoices, quotations, customer specifications, scopes of work, agreements for customized software or services, or otherwise, made in connection with the same purchase by Customer of one or more licenses for In House Digital Publishing Software, for which purpose this Agreement is made.
- (22) Services: The term "Services" shall mean Maintenance Services and that certain In House Digital Publishing Software installation, training, telephone support, development and consulting services as requested by Customer and approved by IHDP in writing.
- (23) Standard License: The term "Standard License" shall mean the license granted to Customer under Section 2.01 of this Agreement.
- (24) System: The term "System" shall mean Customer's hardware and operating system software configuration on which In House Digital Publishing Software will be installed pursuant to the license(s) granted hereunder.
- (25) Term: The term "Term" shall mean a period of time commencing on the Effective Date and continuing until this Agreement is terminated or canceled under Article IV.
- (26) Third Party Technology: The term "Third Party Technology" shall mean third party software, computer, hardware, peripherals, components, devices, equipment and technology used in connection with or related to In House Digital Publishing Software.
- (27) Unauthorized Access: The term "Unauthorized Access" shall mean any access to In House Digital Publishing Software except for the exclusive purpose of converting "print ready" files of approved material to a digital page flipping publication, and training employees of Customer in the use of In House Digital Publishing Software.
- (28) Unauthorized Use: The term "Unauthorized Use" shall mean any use or exploitation of In House Digital Publishing Software not expressly authorized under this Agreement, including (without limitation) that set forth in Section 2.09 of this Agreement.
- (29) Unauthorized User: The term "Unauthorized User" shall mean any individual who accesses In House Digital Publishing Software except for: (1) employees of Customer authorized by Customer to access In House Digital Publishing Software and who agrees to maintain the

confidentiality of Confidential Information for the exclusive purpose of performing conversion and publishing of print ready files into a digital publication of "Approved Material", and training employees of Customer in the use of In House Digital Publishing Software and (2) Authorized Persons authorized in writing by IHDP to access In House Digital Publishing Software.

- (30) Updates: The term "Updates" shall mean the object code for updates, upgrades, new versions, new releases or modifications to In House Digital Publishing Software as generally made available by IHDP from time to time to IHDP customers for the applicable fee.
- (31) Update Protection: The term "Update Protection" shall mean the provision by IHDP to Customer of Updates promptly upon release for a period of one calendar year.

Section 2.01 – Grant of Standard License: IHDP hereby grants to Customer a non-exclusive and non-transferable, perpetual license to use In House Digital Publishing Software and to use the Documentation on the System and at the Facility for the License Term, subject to the terms and provisions of this Agreement. Notwithstanding the foregoing, IHDP may discontinue sales or support of In House Digital Publishing Software at any time, in its own discretion, without further obligation to Customer except as otherwise set forth herein. The license granted hereunder is for Customer's own use only. This license is valid only for the specific license key purchased and activated. Customer is expressly not licensed to use In House Digital Publishing Software to produce content for resale, distribution, or otherwise to third parties not licensed under this Agreement, or to produce content using intellectual property not owned or licensed by Customer for Customer's own use, unless Customer has purchased one or more Enterprise Licenses as defined herein. All rights not expressly licensed hereunder are reserved to IHDP.

Section 2.02 – Enterprise Licenses: Customer has the option to purchase Enterprise Licenses at the then-prevailing price charged by IHDP as set forth in the Price Schedule. The Enterprise License incorporates all rights granted under the Standard License. Additionally, for each Enterprise License purchased, IHDP grants Customer a non-exclusive and non-transferable license to use In House Digital Publishing Software to produce unlimited content for Customer's own use, to produce content for resale, distribution, or otherwise for up to 25 separately-identified third party clients of Customer, and to produce unlimited content for such third party clients, subject to all other terms and conditions of this Agreement. In the event Customer desires to produce content for more than 25 such third parties, Customer is required to purchase the sufficient quantity of Enterprise Licenses (sometimes called "add-on packs") corresponding to the number of third parties desired. The license to produce content for third parties shall expire upon the anniversary of the Activation Date, unless Customer pays an annual maintenance fee at the prevailing price charged by IHDP at the time of renewal, as set forth in the Price Schedule, in which case such license to produce content for third parties shall be renewed for an additional year and shall expire upon the next anniversary of the Activation Date unless again renewed. IHDP will deactivate features for which licenses expire. In the event Customer fails to purchase the required number of Enterprise Licenses, or in the event Customer fails timely to pay required annual maintenance fees, this Agreement in its entirety and all licenses granted hereunder, including (without limitation) the Standard License and all Enterprise Licenses, shall immediately terminate without further notice.

Section 2.03 – Renewals for Technical Support and Update Protection: Customer has the option to purchase additional renewals, for one-year periods, of live technical support, Update Protection, or both, at the prevailing prices charged by IHDP as set forth in the Price Schedule at the time of each renewal. Each renewal shall be purchased before the next anniversary of the Activation Date to maintain continuous support. In the event Customer fails to renew timely before the next anniversary of the Activation Date, (a) Customer will not longer receive live technical support or Update Protection upon such anniversary date; (b) IHDP shall not be liable for any damages, disruption, delay, or any other consequence of technology changes that may cause Customer's System not to support their licensed version of In House Digital Publishing Software; and (c) Customer may be permitted to purchase renewals of live technical support or Update Protection after any expiration or lapse, but for Update Protection renewals, Customer will be required to purchase all previous unpurchased years of Update Protection and to receive and install all previously released Updates to bring their licensed version current.

Section 2.04 – License Key and Activation. In House Digital Publishing Software is currently sold in three editions (Standard, Professional, and Enterprise) and may be customized to Customer specifications for an additional price. IHDP may change the editions, licenses, features, or options being offered for sale at any time and in its sole discretion. Customer will receive a license key (also known as a serial key) corresponding to the edition and licenses purchased. Upon entry of the license key into In House Digital Publishing Software, Customer will be authorized to operate In House Digital Publishing Software on the number of computers authorized for the specific edition, licenses, and feature set purchased. Entry of the license key into In House Digital Publishing Software will initiate a process by which Customer's installation of In House Publishing Software will communicate automatically with IHDP through the Internet and activate all licensed features on that particular computer. In House Digital Publishing Software will not activate without Internet access. Customer shall not use In House Digital Publishing Software on any computer without activation. Customer shall not activate or use In House Digital Publishing Software on a greater number of computers than the maximum amount authorized for the specific edition purchased. Customer may deactivate In House Digital Publishing Software on one computer and install and activate it on subsequent computers, so long as the maximum number of activated computers is not exceeded.

Section 2.05 – Delivery: Customer hereby acknowledges IHDP shall deliver In House Digital Publishing Software on the Activation Date. The license key and one copy of the Documentation are included in the Price and will also be delivered. Delivery may be made by making In House Digital Publishing Software or Documentation available for download from IHDP's website, by providing a license key for full or trial versions, by e-mail or other electronic delivery system, by physical delivery of a tangible medium such as CD-ROM, or by other means, in IHDP's sole discretion. Additionally, Customer will receive one year of live technical support and one year of Update Protection without additional charge, commencing on the Activation Date and expiring on the first anniversary of the Activation Date. The version of In House Digital Publishing Software delivered to Customer shall be the then-current version offered by IHDP designed to run on then-current operating systems and, as IHDP may decide in its sole discretion, other legacy operating systems.

Section 2.06 – Trial Period; No Return Policy. Customer shall be entitled to a thirty (30) day "free trial period" to evaluate a trial version of In House Digital Publishing Software prior to purchase. The trial version of In House Digital Publishing Software may differ from the full version and may not include all features. The free trial period shall commence upon installation of the Trial Version on the System and shall automatically expire within thirty (30) days. Customer shall not be authorized to use the trial version after expiration. The trial version may contain code that automatically disables the trial version without other intervention by IHDP. Customer may lose data and content and access thereto upon expiration of the trial period if Customer fails timely to purchase the Standard License hereunder, and Customer acknowledges and agrees that it bears the risk of such loss. All sales are final. No other returns or exchanges will be permitted or accepted, except as provided in this Agreement.

Section 2.07 – Acceptance: In House Digital Publishing Software shall be deemed accepted by Customer ten (10) days after the Activation Date unless Defect Notice is received by IHDP by such tenth day. Upon receiving Defect Notice from Customer, IHDP shall review the asserted Defect to determine if the Defect is valid. If, in the reasonable professional judgment of IHDP the asserted Defect is valid, IHDP shall correct the Defect and resubmit In House Digital Publishing Software for acceptance by Customer. If, in the reasonable professional judgment of IHDP the asserted Defect is not valid, IHDP shall submit to Customer a written explanation of the reasons why such asserted Defect is not valid. The written explanation of IHDP set forth herein shall be deemed accepted by Customer within ten (10) days after receipt by Customer of such written explanation unless IHDP receives from Customer written notice rejecting such explanation and terminating this Agreement within such ten (10) day period. Upon receipt of Defect Notice from Customer by IHDP as set forth above, In House Digital Publishing Software shall be deemed accepted by Customer except as to the asserted Defects specified in the Defect Notice.

Section 2.08 – Risk of Loss: Customer shall assume risk of loss to In House Digital Publishing Software as of the Activation Date. Customer has the sole obligation to keep In House Digital Publishing Software protected and in good working order, maintained and insured against loss for full replacement value until the date that the Price is paid in full by Customer.

Section 2.09 – Unauthorized Use: Customer shall prevent Unauthorized Users from accessing In House Digital Publishing Software. Customer shall prevent Unauthorized Access to In House Digital Publishing Software. Customer shall promptly inform IHDP of any and all Unauthorized Access (or suspected Unauthorized Access) and Unauthorized Users (or suspected Unauthorized Users) of which Customer has knowledge or suspicion. Access to In House Digital Publishing Software using third party products for purposes of manipulating, viewing, disclosing or using the internal structure of In House Digital Publishing Software or for creating a database, data dictionary or data model shall be deemed Unauthorized Access. In House Digital Publishing Software shall not be used for the purpose of resale or to produce or handle content on behalf of Customer's daughter or sister companies, customers, partners, end-users or any other person or entity, unless Customer purchases one or more Enterprise Licenses as provided herein. Customer is not authorized to grant sublicenses.

Section 2.10 – Site Restriction: Customer shall use In House Digital Publishing Software only on the System and only at the Facility.

Section 2.11 – End Use: Customer hereby represents and warrants that In House Digital Publishing Software is being licensed by Customer for its own use on the System and at the Facility and not for rental, leasing, resale, sublicensing, distribution, outsourcing, or offering service bureau services, except as authorized herein in the event Customer purchases one or more Enterprise Licenses.

Section 2.12 – Services: Customer may request Services, as approved by IHDP. All Services shall be subject to the discretion of IHDP and shall be subject to IHDP standard service terms and applicable time and material rates as set forth in the Price Schedule.

Section 2.13 – Data Collection and License Enforcement: IHDP may automatically collect and record data from Customer's use of In House Digital Publishing Software to verify whether Customer is complying with these license terms and conditions, and may disable the software either manually or automatically, in whole or in part, with or without other intervention by IHDP, in the event IHDP determines that license terms are violated, or to deactivate features as provided under this Agreement. IHDP will not use data collected in such manner for any purpose other than to verify Customer's compliance with all license terms and conditions or to disable In House Digital Publishing Software or access thereto in the event of license violation. Customer may lose its data, content, and access thereto, and may suffer other damage to the System or to any data or content therein, if Customer uses or attempts to use In House Digital Publishing Software in any way inconsistent with the terms of the specific license(s) granted hereunder. Customer acknowledges and agrees that it bears the risk of all such loss and damage.

Section 2.14 – Product Version Obsolescence: IHDP does not promise to support indefinitely the version of In House Digital Publishing Software licensed to Customer under this Agreement. Unless Customer maintains and pays for Update Protection without interruption, IHDP shall not be responsible for inoperability between Customer's licensed version of In House Digital Publishing Software and any new or upgraded operating system software, elements, upgrades, or other third party software later installed into Customer's System.

Section 3.01 – Price: Customer shall pay the Price for the specific licenses and product features purchased by Customer for In House Digital Publishing Software, as set forth on the Price Schedule, no later than Effective Date, unless otherwise agreed to in writing between the parties. IHDP shall establish, and Customer shall pay, the price for any Services to be rendered by IHDP in accordance with IHDP's time and material rates prevailing at the time such Services are rendered, as set forth in the Price Schedule.

Section 3.02 – Documentation Fee: Additional copies of the Documentation may be purchased by Customer from IHDP upon request by Customer and upon payment of the Documentation Fee.

Section 3.03 – Costs: Customer shall pay all costs incurred by IHDP in performing this Agreement. Such costs shall include (without limitation) postage, freight, telecommunications, fees charged by third parties, telephone, travel, lodging, per diem, material and reproduction costs.

Section 3.04 – Taxes: Customer shall pay any and all taxes attributable to this Agreement, to the transactions contemplated hereunder or to the transactions performed by Customer or third parties using In House Digital Publishing Software, including (without limitation) any applicable sales or use taxes. Notwithstanding the foregoing, Customer shall not be responsible for paying any income taxes assessed against IHDP.

Section 3.05 – Late Fee: Any amount which is not paid when due shall be increased by a late charge equal to 1% of such unpaid amount for each month (or portion thereof) in which such amount is due and not paid.

Section 3.06 – Invoicing and Payment: Payment for the purchase of licenses to use In House Digital Publishing Software shall be made by credit card or PayPal, unless other payment arrangements are agreed to in writing between the parties. Such payment shall be made online through the IHDP website, by credit card or PayPal using IHDP's e-commerce interface on its website, or if Customer is making the purchase in response to a written quotation from IHDP, then Customer may provide its credit card information directly to IHDP's sales agent. All payments must be received in full by IHDP prior to the Activation Date, and IHDP shall have no obligation to activate In House Digital Publishing Software unless and until full payment is received, unless other payment arrangements are agreed to in writing between Customer and IHDP. In the event Services are to be rendered by IHDP, then IHDP shall invoice Customer for fees and costs in connection with the Services, and Customer shall pay any such invoice in full on or before the due date thereof, by credit card or PayPal using IHDP's e-commerce interface on its website or directly to IHDP's sales agent, unless otherwise agreed to in writing between the parties.

Section 4.01 – Termination: This Agreement may be terminated or cancelled for any reason provided in this Agreement. Upon any termination or cancellation of this Agreement, IHDP shall be entitled to retain all payments received by IHDP under this Agreement, including (without limitation) the Price, payment for the Services, payments in anticipation of Services, and all other payments of any kind.

Section 4.02 – Term: The Term of this Agreement shall commence on the Effective Date and continue until such time that this Agreement is terminated or cancelled under the terms hereunder.

Section 4.03 – Immediate Termination: This Agreement shall be immediately terminated, without notice or other action by any party, in the event Customer violates any provision of Article II or Article VI herein, commits any act in violation or in excess of the specific grant of license(s) herein, or otherwise evades, circumvents, or attempts to evade or circumvent the scope of the license(s) granted hereunder.

Section 4.04 – Cancellation for Cause: Except as otherwise provided herein, in the event Customer breaches or violates any term, condition, or obligation under this Agreement, IHDP may cancel this Agreement by sending Cancellation Notice describing the noncompliance to Customer. Upon receiving Cancellation Notice, Customer shall have ten (10) days from the date of such notice to cure any such noncompliance. If such noncompliance is not cured within the required ten (10) day period, IHDP shall have the right to cancel this Agreement as of the eleventh day after the date of the Cancellation Notice. Such termination shall be effective immediately upon IHDP's exercise of that right.

Section 5.01 – Warranty: The only warranty provided under this Agreement is the Defect Notice procedure set forth in Section 2.07 of this Agreement. Customer's exclusive remedy for breach of warranty shall be repair or replacement of In House Digital Publishing Software, as determined by IHDP in its sole discretion, as otherwise set forth in this Agreement.

Section 5.02 – Third Party Warranties: IHDP hereby assigns to Customer the benefit of any and all manufacturer warranties for the Third Party Technology and may cooperate (as determined by IHDP) with Customer in securing the benefit of any remedies available to Customer under any such manufacturer warranty.

Section 5.03 – Service Warranty: Any Services provided by IHDP pursuant to this Agreement shall be performed on a reasonable efforts basis in a timely and professional manner and shall conform to the standards generally observed in the industry for similar Services and shall be subject to Sections 5.01, 5.04, 5.05 and 5.06.

SECTION 5.04 – DISCLAIMER OF WARRANTIES: THE WARRANTIES SET FORTH IN SECTIONS 5.01 AND 5.03 ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, AND IHDP HEREBY DISCLAIMS AND CUSTOMER HEREBY WAIVES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING (WITHOUT LIMITATION) ANY AND ALL IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND IMPLIED WARRANTIES OF MERCHANTABILITY.

SECTION 5.05 – LIMITATION OF LIABILITY AND DAMAGES: IHDP SHALL NOT BE LIABLE TO CUSTOMER IN CONNECTION WITH OR RELATING TO THIS AGREEMENT, THE SYSTEM, IN HOUSE DIGITAL PUBLISHING SOFTWARE AND ANY TRANSACTIONS INVOLVING IN HOUSE DIGITAL PUBLISHING SOFTWARE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL OR PUNITIVE DAMAGES OR LOST PROFITS, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT, INCLUDING (WITHOUT LIMITATION) BREACH OF WARRANTY AND NEGLIGENCE, REGARDLESS OF WHETHER IHDP HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES IN ADVANCE OR WHETHER SUCH DAMAGES ARE REASONABLY FORESEEABLE. NOTWITHSTANDING ANYTHING TO THE CONTRARY, THE LIABILITY OF IHDP FOR ANY REASON AND FOR ANY CAUSE OF ACTION WHATSOEVER IN CONNECTION WITH OR RELATING TO THIS AGREEMENT, THE SYSTEM, IN HOUSE DIGITAL PUBLISHING SOFTWARE, AND ANY TRANSACTIONS INVOLVING IN HOUSE DIGITAL PUBLISHING SOFTWARE SHALL BE LIMITED TO THE LICENSE FEE ACTUALLY PAID BY CUSTOMER FOR IN HOUSE DIGITAL PUBLISHING SOFTWARE UNDER THIS AGREEMENT.

Section 5.06 – Express Warranties: Customer hereby acknowledges and agrees that IHDP (including IHDP officers, employees, agents, directors, independent contractors, affiliates, distributors and successors) has not made or granted any express warranties concerning In House Digital Publishing Software or the Services except as expressly set forth in Sections 5.01 and 5.03 of this Agreement.

Section 5.07 – Third Party Claims: If a final judgment from a court of competent jurisdiction is entered against Customer upholding claims that In House Digital Publishing Software violates a United States patent, copyright, trade secret or other proprietary rights of a third party in the United States, provided that Customer gives IHDP prompt written notice upon Customer's knowledge of any such claim, permits IHDP to answer and defend (at IHDP option) such claim or action and provides IHDP with information, assistance and authority to assist IHDP in the defense of such claim or action, IHDP shall perform one or more of the following actions (as determined by IHDP in its sole discretion) within one year of the date final judgment in favor of such third party's claim is rendered by a court of competent jurisdiction:

- (1) **Replacement:** Replace In House Digital Publishing Software with a non-infringing In House Digital Publishing Software product of substantially equivalent functional and performance capability;
- (2) **Modification:** Modify In House Digital Publishing Software to avoid the infringement without substantially eliminating the functional and performance capabilities of In House Digital Publishing Software;
- (3) **Obtain Agreement:** Obtain a license for use of In House Digital Publishing Software from the third party claiming infringement for use of In House Digital Publishing Software.

IHDP shall have the right to participate or assume the defense (as determined by IHDP) and Customer shall permit and authorize IHDP to participate in or assume the defense of any such claim or action through legal counsel. Notwithstanding the foregoing, IHDP shall have no obligation in connection with or relating to any third party infringement claim in connection with or related to (i) Customer's modification of In House Digital Publishing Software; (ii) Customer's failure to use In House Digital Publishing Software in accordance with the Documentation in effect; (iii) Customer's failure to use the most current release or version of In House Digital Publishing Software; (iv) Customer's combination, interface, operation or use of In House Digital Publishing Software with Third Party Technology; and (v) IHDP compliance with designs, instructions, or specifications required by Customer. The remedies set forth herein shall be the sole and exclusive remedies of Customer under this Agreement for any and all claims of indemnification

relating to infringement. The obligations of IHDP set forth in this Section 5.07 shall not apply to the Third Party Technology.

Section 5.08 – Remedies: The exclusive remedy of Customer for any reason and for any cause of action whatsoever in connection with or relating to this Agreement, the System, In House Digital Publishing Software or any transaction involving In House Digital Publishing Software, regardless of the form of action, whether in contract or in tort, including negligence and breach of warranty, shall be limited to repair or replacement of In House Digital Publishing Software as determined by IHDP in its sole discretion, as otherwise set forth in this Agreement.

Section 5.09 – Force Majeure: IHDP shall not be liable for any failure by IHDP to perform its obligations under this Agreement because of circumstances beyond the reasonable control of IHDP, which such circumstances shall include (without limitation) natural disaster, terrorism, riot, sabotage, labor disputes, war, any acts or omissions of any government, governmental authority or third party, declarations of governments, transportation delays, power failure, computer failure, telecommunications failure, Third Party Technology, failure of Customer to cooperate with the reasonable requests of IHDP, misuse of In House Digital Publishing Software by Customer or third party, failure of the System in whole or in part, Unauthorized Use, breach of this Agreement by Customer, and any other events reasonably beyond the control of IHDP.

Section 5.10 – Customer Indemnification: Customer shall release, defend, indemnify and hold harmless IHDP and its officers, directors, employees, affiliates, independent contractors, distributors, agents and successors against any expense, loss, cost or liability (including, without limitation, interest, penalties, attorney fees and paralegal fees) arising from any and all claims, demands, damages or actions resulting from or related to (1) use of In House Digital Publishing Software by Customer, (including, without limitation, any claim regarding use of In House Digital Publishing Software by Customer in an infringing manner or any claim by third parties for breach of warranty, negligence, loss of data, libel, slander, unfair competition, trademark infringement, or invasion of privacy); (2) performance of In House Digital Publishing Software; (3) Customer's negligence or the acts (or any failure to act) of Customer hereunder; (4) any breach by Customer of the obligations of Customer hereunder; and (5) investigation or defense of any of the above or in asserting IHDP rights hereunder.

Section 5.11 – Cooperation: Customer shall cooperate with IHDP by providing IHDP with information concerning In House Digital Publishing Software and the System as may be requested by IHDP from time to time and by providing with unrestricted access to the personnel, facilities, System, computers, computer software, and data of Customer.

Section 5.12 – Maintenance: Customer hereby acknowledges and agrees that Customer shall solely be responsible for acquiring, installing, implementing, updating, upgrading, maintaining and replacing the System and all Third Party Technology for any reason, including (without limitation) for Updates or correction of Defects, including (without limitation) all costs, fees, taxes and payments in connection therewith or related thereto.

Section 5.13 – Security Interest: IHDP hereby reserves and Customer hereby grants to IHDP a purchase money security interest in the In House Digital Publishing Software to secure payment of the Price by Customer. In order to perfect such security interest, Customer hereby appoints IHDP as the true and lawful attorney-in-fact of Customer and Customer hereby authorizes IHDP to (1) execute in the name of Customer all forms, documents and financing statements deemed desirable by IHDP, and (2) file copies of the Sales Agreement, this Agreement and any forms and financing statements with appropriate government agencies and offices as deemed necessary by IHDP to perfect such purchase money security interest.

Section 5.14 – Repossession: If Customer fails to pay the balance of the Price when due (as provided in Section 3.01 of this Agreement), IHDP shall have the right to enter the Facility and to repossess In House Digital Publishing Software without further notice. If any Event of Bankruptcy occurs before payment of the balance of the Price when due (as provided in Section 3.01 of this Agreement), IHDP shall be entitled to any and all remedies available to a secured creditor under the U.S. Bankruptcy Code and applicable state or federal law.

Section 6.01 – Ownership and Title: Title to In House Digital Publishing Software, including all ownership rights to patents, copyrights, trademarks and trade secrets therein or in connection therewith shall be the exclusive property of IHDP. Customer hereby assigns, transfers and conveys to IHDP any and all rights, title and interests Customer may have or accrue in the In House Digital Publishing Software, including (without limitation) any and all ownership rights to patents, copyrights, trademarks and trade secrets therein or in connection therewith.

Section 6.02 – Confidential Information: In House Digital Publishing Software shall be deemed Confidential Information of IHDP. Customer shall maintain the Confidential Information in strict confidence. Customer shall not disclose Confidential Information except to Authorized Persons. Customer shall not access, duplicate or use the Confidential Information except as otherwise permitted under this Agreement.

Section 6.03 – Trade Secrets: Customer hereby acknowledges and agrees that the Confidential Information (i) derives independent economic value (actual or potential) from not being generally known to, or readily ascertainable by, other persons who can obtain economic value from its disclosure or use; (ii) is the subject of reasonable efforts by IHDP under the circumstances to maintain its secrecy; and (iii) is a trade secret under the California Uniform Trade Secrets Act and other applicable law.

Section 6.04 – Reverse Engineering: Customer shall not reverse engineer In House Digital Publishing Software and shall not allow In House Digital Publishing Software to be reverse engineered.

Section 6.05 – Backup Copy: Customer may create one copy of In House Digital Publishing Software (excluding the printed Documentation) at the Facility only for routine archival or backup purposes.

Section 6.06 – Copies: Except as provided in Section 6.05, Customer shall not copy In House Digital Publishing Software and shall not allow In House Digital Publishing Software to be copied without the prior written consent of IHDP.

Section 6.07 – Unauthorized Use, Modifications, and Software Piracy: Unauthorized Use of In House Publishing Software, as set forth in Section 2.09 herein, is strictly prohibited. Customer shall not modify, alter, or tamper with In House Digital Publishing Software in any way and shall not allow anyone to modify, alter, or tamper with In House Digital Publishing Software, without the prior written consent of IHDP. Customer shall not copy In House Digital Publishing Software or use it on a different System or at a different Location, or allow others to do so, except as otherwise permitted under this Agreement, without the prior written consent of IHDP. Customer shall not use In House Digital Publishing Software or any materials incident thereto to develop derivative or other software or applications without the prior written consent of IHDP. Customer shall not do anything to circumvent restrictions built into the trial version of In House Digital Publishing Software and shall not allow anyone to do so. If In House Digital Publishing Software is modified, altered, or tampered with in any way, all such modifications and alterations shall be the sole and exclusive property of IHDP, and IHDP shall own any and all rights, title and interests to such modifications and alterations and any resulting or derivative software or applications, including (without limitation) all copyrights, patents, and trade secrets therein or in connection therewith.

Section 6.08 – No Contest: Customer shall not contest or aid in contesting the ownership or validity of the trademarks, service marks, trade secrets, or copyrights of IHDP.

Section 6.09 – Employee Pirating: Customer shall not induce or solicit (directly or indirectly) any Associate to leave the employ or hire of IHDP. Customer shall not engage (directly or indirectly) the services of such Associate (as an employee, consultant, independent contractor, or otherwise) without the advance written consent of IHDP.

Section 6.10 – U.S. Government Restricted Rights: If Customer is the U.S. Government or an agency or department thereof (collectively "Government"), In House Digital Publishing Software is provided with RESTRICTED RIGHTS. Use, duplication or disclosure by the Government is subject to restrictions as set forth in subparagraphs (c)(1) and (2) of the Commercial Computer Restricted Rights clause at 48 C.F.R. 52.227-19.

Section 6.11 – Proprietary Notices: Customer shall not remove, alter or obscure any copyright notices or other proprietary legends displayed by or used by IHDP in connection with or related to In House Digital Publishing Software.

Section 6.12 – Trademarks: IHDP's trademarks, service marks, trade dress, logos, tradenames or insignia ("IHDP Marks"), including (without limitation) the mark "In House Digital Publishing Software," are owned exclusively by IHDP. IHDP shall retain all rights, title and ownership interests in the IHDP Marks. Customer shall not (directly or indirectly) use any trademark, tradename, trade dress, insignia or logo that is the same as, similar to, or a colorable imitation of any IHDP Mark.

Section 6.13 – Responsibility for Content Creation: Customer acknowledges and agrees that it is solely responsible for all activities that occur through use of the In House Digital Publishing Software licensed to Customer, including (without limitation) all created content. Under no circumstances will IHDP be liable in any way for content that IHDP did not create, including but not limited to any errors or omissions in any content, or any loss or damage of any kind, incurred as a result of such content.

Section 6.14 – Restrictions on Use: Customer shall not use In House Digital Publishing Software for any of the following:

- Racism, bigotry, hatred, or physical harm of any kind against any group or individual.
- Content that is unlawful, harmful, threatening, abusive, harassing, defamatory, vulgar, obscene, or libelous, or invades another person's privacy.
- Exploitation of minors under the age of 18, including (without limitation) in a sexual or violent manner.
- Violation of any law, statute, ordinance or regulation, including (without limitation) to those governing securities regulation, inside information, export control, consumer protection, unfair competition, anti-discrimination, civil rights, copyrights, trademarks, patents, trade secrets, or false advertising.
- False, fraudulent, inaccurate, or misleading activities or information.
- Infringement of any patent, trademark, trade secret, copyright, or other proprietary rights of any person or entity.
- Illegal or unauthorized copying or pirating of another person's copyrighted work.
- Any activity that causes or could cause IHDP to incur liability or to lose or damage (in whole or in part) its relationships with vendors, customers, contractors, or other third parties.
- IHDP reserves the right to investigate and take appropriate legal action in its sole discretion against anyone who violates these provisions.

Section 6.15 – Continuation: The terms and conditions of this Article VI shall survive termination and cancellation of this Agreement.

Section 6.16 – Penalty for Violations: In the event of any violation of this Article VI, this Agreement in its entirety and all licenses granted hereunder, including (without limitation) the Standard License and all Enterprise Licenses, shall immediately terminate without further notice.

Section 7.01 – Assignments: All assignments of rights under this Agreement by Customer without the prior written consent of IHDP shall be void.

Section 7.02 – Public Announcement: All public announcements of the relationship of IHDP and Customer under this Agreement shall be subject to the prior written approval of IHDP. IHDP shall have the right to use the name of Customer as a reference for marketing purposes in connection with In House Digital Publishing Software.

Section 7.03 – Entire Agreement: This Agreement and the Sales Agreement contain the entire understanding of the parties and supersede all previous verbal and written agreements between the parties concerning In House Digital Publishing Software. In the event of a conflict between the terms of this Agreement and the terms of the Sales Agreement, the terms of this Agreement shall prevail.

Section 7.04 – Amendments and Modifications: Alterations, modifications or amendments of a provision of this Agreement shall not be binding unless such alteration, modification or amendment is in writing and signed by IHDP and Customer.

Section 7.05 – Severability: If a provision of this Agreement is rendered invalid, the remaining provisions shall remain in full force and effect.

Section 7.06 – Captions: The headings and captions of this Agreement are inserted for convenience of reference and do not define, limit or describe the scope or intent of this Agreement or any particular section, paragraph, or provision thereof.

Section 7.07 – Counterparts: This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 7.08 – Governing Law and Venue: This Agreement shall be governed by the laws of the State of California without regard to any rules of conflict or choice of laws which require the application of laws of another jurisdiction. Venue shall be in the City of Los Angeles, State of California, and the federal and state courts located therein.

Section 7.09 – Notice: Notices shall be in writing and shall be deemed delivered when delivered by commercial overnight delivery service, by courier, Certified or Registered Mail with Return Receipt Requested or by hand to the address set forth below for IHDP and to Customer's address as was provided to IHDP at the time of ordering. Notice shall be deemed given on the date of receipt - as evidenced in the case of Certified or Registered Mail by Return Receipt.

Aglaia Software Inc., dba InHouseDigitalPublishing.com
5000 Parkway Calabasas, Suite 106A, Calabasas, CA 91302

Section 7.10 – Pronouns/Gender: Pronouns and nouns shall refer to the masculine, feminine, neuter, singular or plural as the context shall require.

Section 7.11 – Bankruptcy: If IHDP must institute, defend, appear or attend a bankruptcy proceeding as a result of the filing of bankruptcy by Customer, fees and expenses shall be paid by Customer. If Customer has a bankruptcy proceeding filed against it, IHDP shall recover attorney fees, expert witness fees, and other costs incurred by IHDP in connection with the bankruptcy proceeding, hearing or trial.

Section 7.12 – Waiver: Any waiver of a provision of this Agreement by IHDP shall not be binding unless such waiver is in writing and signed by IHDP. Waiver by IHDP of any breach of this Agreement shall not constitute waiver of any other breach. Any failure by IHDP to enforce a provision of this Agreement shall not constitute a waiver or create an estoppel from enforcing such provision.

Section 7.13 – Relationship of the Parties: It is agreed that the relationship of IHDP and Customer shall be that of licensor and licensee or seller and customer respectively. Nothing herein shall be construed as creating a partnership, an employment relationship, or an agency relationship between the parties, or as authorizing either party to act as agent for the other. Each party shall maintain its separate identity.

Section 7.14 – Assurances: Each party hereby represents and warrants that all representations, warranties, recitals, statements and information provided to the other under this Agreement are true, correct and accurate as of the Effective Date to the best of their knowledge.

Section 7.15 – Equitable Remedies: The parties hereby acknowledge that damages at law are an inadequate remedy to IHDP. IHDP shall have the right to seek specific performance, injunction or other equitable relief in the event of any breach or threatened breach of this Agreement by Customer.