

S M A R T M @ I L
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E-Marketing Solutions

Standley Systems

06.21.11

Phase 2 Interactive SmartMail

Our team is available to help you with any aspect of your email campaign. Phase 2 provides training, design services, list management, and return on investment analysis for you, to make your email communication as effective as possible.

Managed Service Features

Phase 2 will design and deliver one HTML email template. This design can be re-used for your monthly mailing. The design will compliment your existing web site, but would not mimic the web site exactly (unless requested). Additional changes to the template will be handled on an hourly basis.

Once approved, we will install the HTML email template(s) onto the Phase 2 email server.

Phase 2 will set up and configure your customer list onto the Phase 2 email system. The list, with all required fields, must be provided to us in a compatible data file (text or MS Excel), in order for us to upload the customer list correctly.

Phase 2 will provide one training session for your team on how to create a new newsletter using your template & mail to the appropriate list.

Phase 2 will provide access, via a web browser, for report tracking and monitoring results of your email(s). This information can be used to determine who is reading the newsletter, who is clicking on any links inside the newsletter, etc...

Assumptions

Contact Lists

All contacts to be imported into your Smart Mail account must be provided to Phase 2 electronically in a tab delimited or Excel format. The first row of data must contain field names.

SPAM

SPAM is prohibited per our licensing agreement and is grounds for termination of this contract. Please carefully read the attached licensing agreement and understand that it will be strictly enforced.

Terms & Conditions

SmartM@il Account	Investment
Initial Fee – uploading of data; template design, initial support and training documentation	\$500
Each Additional Template	\$500
Monthly Smart Mail hosting fee*	\$35
Per email change**	<i>see email fee chart</i>

* Clients are allowed up to 7 email blasts per month. Any additional email blast(s) will incur an additional charge of \$6 per blast, plus the per email charge.

** Email Fee Chart

Email Recipients	Cost (per email address)
1 – 5,000	.04
5,001 – 10,000	.03
10,001 +	.02

Phase 2 Development Corp. requires a signed copy of this agreement and deposit for \$500 prior to beginning the project. Per email charges will be billed on the last day of each month. The contract term for hosting the database is one year from the date of this signed document. Any and all additional changes, content updates or programming will be offered at \$110 per hour.

We appreciate your business and look forward to enhancing the evolving functionality of your Internet presence. If you have any questions or concerns regarding this proposal, please feel free to call Heath Clinton at 405.917-3778 or e-mail at heathc@phase2online.com.

Authorized Signature *[Insert Client Name]*

Date

Terms & Conditions

As a condition to establishing a Smart M@il account on Phase 2 Development's email service provider system and before building or sending any emails, the following Terms of Service must be and hereby agreed to:

Terms of Service

1. Email System

This email provider system ("Email System") is operated and maintained by the Companies (individually, "Company" and collectively, "the Companies") which encourage you to responsibly build and send emails to meet your personal and/or business needs. However, it is inappropriate to put any offensive, pornographic or hateful material, or any other material that is inconsistent with the Companies' community standards in your emails. Certain types of content are not permitted on your emails at all -- we reserve the right to terminate service of any site containing such content. These Terms of Service may be amended at any time by the Companies from time to time in our sole discretion without specific notice to you. Prior to each use of the Email System, you hereby agree to review the most current terms of service and agree that your use of the Email Systems constitutes acceptance of then-current Terms of Service.

2. General Use

You promise that you will not use the Email System, in whole or in part, for any purpose that is immoral, unlawful or prohibited by these Terms of Use. Unless otherwise provided by these Terms of Service, you agree that you will not modify, copy, distribute, transmit, display, reproduce, publish, license, attempt to or create derivative works from, frame in another web page, use on any other email, transfer, or sell: any information, software, lists of users, databases or other lists, products or services provided through or obtained from the Email System. You shall not use the Email System in any manner which could damage, disable, overburden, or impair the Email System or interfere with any other party's use and enjoyment of the Email System. Unauthorized individuals attempting to access prohibited areas (such as access password protected, secure or non-public areas of the Companies' websites) may be subject to prosecution. Unless you have written permission from the Companies stating otherwise, you agree and promise not to resell or exploit for any commercial purpose any of the Companies' services or software.

3. Registration

In order for you to use the Email System, the Companies may require that you provide specific information about yourself. You agree that any information you provide shall be true, complete and accurate. Further, you agree to not falsely represent your affiliation with any person or entity. You agree and acknowledge that information you provide may be used to send you information about the Email System and the Companies' services unless you unsubscribe from such notifications.

4. Storage and Usage

Your account will be allocated 5 Megabytes of disk space at no cost. You may sign up for as many accounts as you would like; each additional account will also receive 5 Megabytes of space. You acknowledge that the Companies may, from time to time, establish general practices and limits concerning the use of the Email System. You agree that none of the Companies have any responsibility or liability for the deletion of (or failure to store) any content transmitted to maintained by the Email System. You further acknowledge and agree that the Companies reserve the right to change these general practices and limits at any time, in its sole discretion, with or without notice.

5. Anti-Spam and Privacy

We encourage you to publicize your emails, but sending unsolicited e-mails, spam or offensive emails is strictly prohibited. If we become aware of your sending an unsolicited email, spam or offensive email, we may immediately terminate your account. By using the Email System you hereby agree that you accept the Privacy Policy and Anti-Spam Policies available for review on each of the Companies websites. Your violation of Privacy or Anti-Spam Policies may lead to complaints against you. You hereby agree to indemnify and hold each of the Companies (including each of their respective officers, directors, founders and others affiliated with it) harmless from any and all expenses, damages, fines, and other liability it may be held responsible for as a result of Your Use (defined below) of the Email System. For the purposes of these Terms of Service, "Your Use" includes but is not limited to any use of the Email System through your account, whether or not it was actually you who used the account and whether or not you approved, authorized, knew or had reason to know of such use. In the event Your Use directly or indirectly causes a spam complaint, in addition to all other amounts the Companies' may be entitled to recover from you, you agree to pay \$20 FOR EACH SPAM COMPLAINT (payable in the billing cycle during which the complaint was received) if you do not have proof that the complaining recipient opted-in to your email list. This section (and, specifically your obligation to indemnify) shall survive termination of these Terms of Service and/or this Agreement.

6. General Conduct

You, and not the Companies, are entirely responsible for all information, data, text, software, music, sound, photographs, graphics, video, messages or other materials ("Content") posted or delivered via the Email System. The Companies are not responsible for controlling Content posted or delivered via the Email System. You hereby guarantee the accuracy, integrity and quality of any Content posted or delivered via the Email system through your account. You agree to not post, upload or otherwise transmit:

- a) any content related to inappropriate subject matters or content which is misleading;
- b) any content that is unlawful, harmful, threatening, abusive, harassing, tortuous, defamatory, vulgar, obscene, libelous, invasive of another's privacy, hateful, or racially, ethnically or otherwise objectionable;
- c) any content that you do not have a right to post and transmit under any law or contractual /fiduciary relationships;
- d) any content, such that such posting, uploading, or transmission constitutes the infringement of any patent, trademark, trade secret, copyright or other proprietary rights of any party;
- e) any materials that contain software viruses or any other computer code, files or programs designed to interrupt, destroy or limit the functionality of any computer software or hardware or telecommunications equipment;
- f) any materials which imposes an unreasonable large load on our infrastructure;
- g) any content that is harmful to minors;
- h) any content that intentionally or unintentionally violates any applicable local, state, national or international law, including, but not limited to, regulations promulgated by the U.S. Securities Exchange Commission, any rules of national or other securities exchange, including without limitation, the New York Stock Exchange, the American Stock Exchange or the NASDAQ, and any regulations having the force of law;
- i) content that is misleading or impersonates any person or entity or falsely states or otherwise misrepresents your affiliation with a person or entity;
- j) content with manipulated, forged or disguised identifiers;
- k) content promoting harm or providing instructional information about illegal activities;

- l) content that might be considered "spam."

7. Third Party Content

For your convenience, the Companies' websites may contain content and information from third parties ("Third Party Content"). Such Third Party Content may not be under the control of the Companies and the Companies are not responsible for such content, including, without limitation, any link contained in such content, or any changes or updates to such content. The Companies are providing such Third Party Content to you only as a convenience, and the inclusion of such content does not imply endorsement by the Companies of such content or the affiliate. You may be subject to additional and/or different terms, conditions, and privacy policies when you use third party services, content, software, or sites.

The Companies are not and will not be responsible for (i) the terms and conditions of any transaction between you and any third party, (ii) any insufficiency of or problems with any such third party or (iii) the quality of services performed by any such third party. In the event that you have a dispute with any such third party, you release the Companies (and their affiliates, agents and employees) from any and all claims, demands and damages of every kind and nature, known and unknown, suspected and unsuspected, disclosed and undisclosed, arising out of or in any way connected with such disputes.

8. DISCLAIMER OF WARRANTIES.

YOU EXPRESSLY UNDERSTAND AND AGREE THAT: (A) YOUR USE OF THE SERVICE IS AT YOUR SOLE RISK. WE AND OUR SUPPLIERS PROVIDE OUR SERVICE AND THE EMAIL SYSTEM "AS IS" AND WITHOUT ANY WARRANTY OR CONDITION OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE. (B) NONE OF the Companies MAKE ANY NO WARRANTY THAT (i) THE SERVICE WILL MEET YOUR REQUIREMENTS, (ii) THE SERVICE WILL BE UNINTERRUPTED, TIMELY, SECURE OR ERROR-FREE, AND (iii) THE QUALITY OF ANY PRODUCTS, SERVICES, INFORMATION OR OTHER MATERIAL PURCHASED OR OBTAINED BY YOU THROUGH THE SERVICE WILL MEET YOUR EXPECTATIONS. (C) ANY MATERIAL DOWNLOADED OR OTHERWISE OBTAINED THROUGH THE USE OF OUR SERVICE OR THE EMAIL SYSTEM IS DONE AT YOUR OWN DISCRETION AND RISK AND YOU WILL BE SOLELY RESPONSIBLE FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA, OR OTHER DAMAGES/LIABILITY THAT RESULT FROM USE OF THE EMAIL SYSTEM

9. LIMITATION OF LIABILITY

IN NO EVENT SHALL THE COMPANIES AND/OR OUR SUPPLIERS BE LIABLE FOR ANY DIRECT, INDIRECT, PUNITIVE, SPECIAL, INCIDENTAL OR CONSEQUENTIAL OR ANY DAMAGES WHATSOEVER, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOSS OF USE, DATA OR PROFITS (HOWEVER ARISING, INCLUDING NEGLIGENCE) EVEN IF THE COMPANIES OR ANY OF THEIR SUPPLIERS HAS BEEN ADVISED OF THE POSSIBILITY OF DAMAGES, ARISING OUT OF OR IN CONNECTION WITH (A) THE USE OR INABILITY TO USE THE SERVICE, (B) THE PROVISION OF OR FAILURE TO PROVIDE SERVICES, (C) ANY INFORMATION, SOFTWARE, PRODUCTS, SERVICES AND RELATED GRAPHICS OBTAINED THROUGH THE SERVICE OR OTHERWISE ARISING OUT OF THE USE OF THE SERVICE, (D) STATEMENTS OR CONDUCT OF ANY THIRD PARTY ON THE SERVICE, OR (E) ANY OTHER MATTER RELATING TO THE SERVICE. SOME STATES DO NOT ALLOW THE LIMITATION OF LIABILITY, SO THE FOREGOING LIMITATION MAY NOT APPLY TO YOU. IF YOU ARE DISSATISFIED WITH ANY PORTION OF THE EMAIL SYSTEM, OR WITH ANY OF THESE TERMS OF SERVICE, YOUR SOLE AND EXCLUSIVE REMEDY IS TO DISCONTINUE USING THE EMAIL SYSTEM. This section shall survive termination of these Terms of Service and/or this Agreement.

10. Proprietary Rights

By posting content to your account, you grant the Companies a worldwide, royalty-free non-exclusive license to (i) host, use, reproduce, modify, distribute, transmit, and combine with information provided by third parties, (2) publicly display such content on and through the Companies' websites and websites of their affiliates, and co-branded or mirrored versions of such sites, (iii) publish such content or a portion thereof in the Companies' promotional materials, press releases and/or advertising materials,

(iv) and sublicense to third parties such content to the extent necessary for the creation and maintenance of, in part or in whole, such sites.

11. Indemnification

You agree to indemnify and hold the Companies and each of their directors, officers, employees, agents, and consultants harmless from any and all claims and demands (including, but not limited to, fines, penalties and/or reasonable attorneys' fees) arising out of use of, or connected with, Your Use of, or subscription to, the Email System. For the purposes of this Agreement, "Your Use" includes, but is not limited to, any use of your account by anybody accessing, either with or without your permission, your account. If any Company is fined or penalized or threatened with a fine, penalty, claim, arbitration or lawsuit because of your use of the Email System, Company may charge (i) such fines or penalties, (ii) threatened fines and penalties, (iii) projected damages for claims, arbitration and lawsuits and (iv) projected reasonable attorneys' fees in defense of the above to your account or credit card, at its discretion. This section shall survive termination of these Terms of Service and this Agreement.

12. Trademarks

The Companies logos and product and service names are proprietary trademarks (the "Proprietary Marks"). Without the Companies' prior permission, you agree not to display or use in any manner, the Proprietary Marks.

13. Copyright

All materials on the Companies' website (as well as the organization and layout of their websites) may be owned or copyrighted or licensed by the Companies, its affiliates or its suppliers. All rights are reserved. No reproduction, distribution, or transmission of the copyrighted materials is permitted without the written permission of the Companies. Any rights not expressly granted herein are reserved.

14. Service Updates

The Companies reserve the right at anytime and from time to time to modify, discontinue, temporarily or permanently, the Email System (or any part thereof) with or without notice. You agree that the Companies shall not be liable to you or to any third party for any modification, suspension or discontinuance of the Email System. You agree that the Companies shall have the right (but not the obligation) in their sole discretion to refuse or remove any content posted to your account.

15. Modification

The Companies reserve the right at anytime, and from time to time, to modify these Terms of Service. Continued use of the Email System shall signify consent to and acceptance of any such modifications. If you do not agree with any of the terms, as amended, either now or in the future, you agree to immediately terminate your account.

16. General Information

These Terms of Service shall be governed in all respects by the laws of the State of as such laws are applied to agreements entered into and to be performed entirely within between residents. If any provision of these Terms of Service is held to be invalid or unenforceable, such provision shall be struck and the remaining provisions shall be enforced. Any failure to act with respect to a breach by you or others does not waive our right to act with respect to subsequent or similar breaches. You may not assign or transfer these Terms of Service or your rights/responsibilities in your account, and any attempt to the contrary is void. These Terms of Service sets forth the entire understanding and agreement between us with respect to the subject matter hereof. The section titles in the Terms of Service are for convenience only and have no legal or contractual effect.