



## YDRAW SERVICE AGREEMENT

1/4/13

\_\_\_\_\_ (“you” “your” or the “Client”) are engaging Ydraw LLC (“us”, “we” or “Ydraw”) as an independent contractor for creating a video and related services (the “Services”). In consideration of the mutual obligations specified in this Video Services Agreement (the “Agreement”), the parties, intending to be legally bound hereby, agree to the provisions of this Agreement.

### 1. The Process, the Services and Payment

(a) **Scope.** Ydraw render the Services on a project basis unless we otherwise agree in writing. The initial scope of Services is: 1 Video 2 Minute Each at a Price of \$10,000.

(b) **Pricing and First Payment.** The amount of the first invoice will be for 50% of the total initial price. Your payment of the first invoice, the signing of the contract, beginning of work with Ydraw indicates your agreement to the amount of the total initial price. Work will begin when payment is sent or contract is signed.

(c) **Time Line.** Ydraw’s Goal is to complete each project within 25 days from the time the script is finalized. Timelines do vary according to the size of the project.

(d) **Changes Management Process.** Our initial price will include some rounds of revisions to the work we produce for you. The following provisions control what revisions will be included in our initial price, what revisions or other scope changes will be outside the scope of Services included in the initial price, and the procedures governing any out of scope Services.

(e) If your project includes a script, revisions to the script are limited to 3 rounds. Once a final script has been approved, and the voiceover has been recorded, you may request a single round of minor changes, including changes to the tone, emphasis or pronunciation. Major changes to the voiceover, like script edits and additions, are \$200 per round and will be added to the final invoice (in the event that the video is already in a finished state, re-timing the video to match the

voiceover will be billed at our \$150 per hour rate). Once Voice over artist has been chosen a change will be \$350 for an additional voice over Artist. If a Re-edit of voice over and video is required a total of \$750 will be charged.

(i) If your project has been checked off, script has been approved, and storyboard had been approved any changes to recorded video drawing (meaning we have to go back under camera and redraw art) will be \$1500.

(ii) Revisions or requests that are outside of the initial project description, such as scenes or ideas not included in the initial discussions or storyboard, will be considered out of scope.

(iii) In general, except for the included rounds of revisions set out above, any revisions, additions, or alterations to the project modifying the initial scope of the Services will be considered out of scope Services and subject to Ydraw's standard rate of \$150 per hour. By way of example, such out of scope Services will include, but will not be limited to, changes in the extent of work, increases in the complexity of any elements of the project, and any changes made after approval has been given for a specific stage of design, documentation, or preparation. In addition, any Services requested by you faster than a previously established schedule, such as an accelerated timetable, may be deemed out of scope Services in our discretion.

(iv) Ydraw will inform you if any of your changes or other requests would require out of scope Services and the additional fees associated with any such out of scope Services. You will be responsible for the additional fees if Ydraw proceeds with the out of scope Services.

(f) **Final Payment and Delivery.** Once you have approved the video produced by the Services, we will issue a final invoice for the Services relating to the project. The final invoice will include the remaining balance of the total initial price. Which price is subject to adjustment upwards for any agreed upon increase in scope. The final invoice will be due and payable upon receipt. Once you have paid the final invoice (and any other outstanding invoices), we will deliver the final video file to you in .MOV or .MP4 format (or such other format as agreed on).

(g) **Additional Payment Provisions.** Ydraw reserves the right to: (i) charge interest on amounts more than 15 days past due at a rate of 2% per month or, if lower, the highest rate allowed by applicable law; (ii) issue the final invoice (or pro rata portion thereof) if Ydraw has requested Client input or feedback needed for the Services and more than four weeks have elapsed without the Client providing the requested input or feedback; and (iii) issue interim invoices, due

and payable upon receipt, for up to 50% of any increase in fees for the Services resulting from changes in scope.

(h) **No Hosting or Integration.** The Client will be solely responsible for video hosting and website integration, but Ydraw can help and does offer hosting services at additional cost.

## **2. Intellectual Property**

(a) Ydraw assigns to the Client all right, title and interests to all of its copyrights in the video produced by Ydraw pursuant to the Services, effective upon payment by the Client of the final invoice (and any other outstanding invoices) issued by Ydraw. Client is not allowed to resell video or make editing changes without written consent from Ydraw. Ydraw makes no ownership claim with respect to any copyrighted materials, trademarks, trade secrets or other intellectual property supplied by the Client to Ydraw for purposes of the Services.

(b) The Client represents, warrants, and covenants that any text, graphics, sound, video, photos, designs, trademarks, service marks, or other artwork (each, an “element”) furnished to Ydraw for inclusion in a video or other project are owned by the Client or that the Client has all rights necessary for Ydraw to incorporate any such element in any videos or other product of the Services. The Client will hold harmless, protect, indemnify and defend Ydraw, its subcontractors, officers, directors, owners, employees, agents, representatives, and affiliates from any and all liability, damages, costs, or expenses (including attorney’s fees and court costs), including any claim or suit, threatened or actual, arising from the use of such elements by Ydraw or the inclusion of such elements in any video or other product of the Services.

(c) Subject to the rights granted to the Client or expressly retained by the Client pursuant to paragraph (a) above, Ydraw will retain all intellectual property rights, including copyrights, ideas, trademark rights, and service mark rights, in any materials created by Ydraw or its subcontractors in connection with the Services. For the avoidance of doubt, Ydraw has no obligation to deliver, and grants no rights in, any rejected designs, documentation, illustrations, raw video and project files and audio/verbal scripts, including preliminary concepts, accepted or rejected elements, works in progress, and finished materials which have been created or furnished by Ydraw during the course of providing Services.

(d) The Services do not normally include the collection or delivery of source files for individual components or elements included in the final video produced by Ydraw for the Client. If the Client requests delivery of those files, Ydraw reserves the right to condition delivery on the Client’s payment of Ydraw’s fees and expenses on a time and materials basis, which may include charges from Ydraw’s subcontractors. The Client’s use of any individual components or

elements (e.g., stock photos) may be subject to third party license restrictions. The Client acknowledges that its rights in any such individual components or elements will be subject to the third party license restrictions.

### **3. Information and Confidentiality**

(a) The Client will provide any and all information and decisions required for the successful outcome of the project and will designate to Ydraw in writing of any portion of the project which is confidential.

(b) Ydraw agrees to treat such designated information with the same degree of confidentiality, as Ydraw does with its own confidential information and, in any event, with no less than a reasonable degree of care. This obligation of confidentiality does not apply to (i) information that is published or otherwise becomes available to the general public without breach of this Agreement; (ii) information that has been furnished or made known by a third party that is not known by Ydraw to be subject to an obligation of confidentiality to the Client; (iii) information that was in Ydraw's possession without confidentiality restrictions prior to the date of disclosure to Ydraw; (iv) information developed by Ydraw independently of confidential information furnished to it; and (v) general information of a nonproprietary nature. In addition, if Ydraw is required to disclose information in response to law, rule, court order, or other legal process, Ydraw may do so without breach of its obligations of confidentiality. In the event of such required disclosure, Ydraw will use reasonable efforts to notify the Client of the planned disclosure and will cooperate with the Client, at the Client's request and cost, in lawfully opposing any such required disclosure.

### **4. Limitation of Liability**

(a) Ydraw's aggregate liability on all claims of any kind, whether based on contract, indemnity, warranty, tort (including negligence), strict liability, or otherwise, for all losses or damages arising out of or relating to this Agreement or Services will in no case exceed the fees actually paid to Ydraw under this Agreement.

(b) In no event, whether based on contract, indemnity, warranty, tort (including negligence), strict liability or otherwise will Ydraw, its subcontractors, officers, directors, owners, employees, agents, representatives and affiliates be liable for special, incidental, exemplary, punitive, consequential, or indirect damages, including without limitation lost sales or profits. The foregoing limitations and disclaimers will apply irrespective of whether the possibility of such damages has been disclosed to Ydraw in advance or could have reasonably been foreseen by Ydraw.

### **5. Termination**

This Agreement may be terminated by either party if the other party commits a material breach of the terms hereof and fails to remedy the breach within 14 days of receiving written notification from the terminating party specifying the breach and requiring its remedy. Ydraw may terminate this Agreement, effective upon 7 days' written notice to the Client, if Ydraw has requested Client input or feedback needed for the Services and more than three weeks have elapsed without the Client providing the requested input or feedback, unless the Client provides the requested input or feedback prior to the effective date of termination provided in the notice.

On termination of this Agreement, or a postponement of the Services requested by the Client and agreed to by Ydraw, for any reason, Ydraw may invoice the Client, and the Client will pay Ydraw, for all Services rendered and costs and expenses incurred to the date of termination or postponement. Any advance payment of fees will be credited against the amount due.

## **6. Notices**

Any notice required to be given under this Agreement must be given in writing by email, with a hard copy of the notice delivered by personal delivery or sent by a major overnight delivery service, for delivery in either case no later than the close of the second business day following the email notice. Notices will be deemed given on the first business day after the email was sent. Notices sent to Ydraw must be sent to [info@ydraw.com](mailto:info@ydraw.com), with the subject line containing "Legal Notice", and with the hard copy sent to the address given on the "Contact Us" page at [www.ydraw.com](http://www.ydraw.com) (or successor page or site). Notices sent to the Client must be sent to the email address provided by the Client in this Agreement or to such other email address as the Client may from time to time designate by notice, and the hard copy may be sent to the address, if any, provided by the Client for notice purposes or, if the Client has not provided such an address, to any other physical address provided by the Client to Ydraw.

## **7. General**

(a) Fee quotations and proposals for Services are subject to amendment or withdrawal by Ydraw at any time prior to the Client's payment of the first invoice issued by Ydraw for the Services.

(b) Ydraw will not be liable for any delay in performance or inability to perform due to force majeure, including without limitation any acts of God, acts or omissions of the Client, major equipment failures, loss of electrical power or internet connectivity, or any other act, omission, or occurrence beyond Ydraw's reasonable control. If Ydraw's performance is delayed by force majeure, the length of the delay will extend the time for performance.

(c) The parties hereby agree that each provision herein will be treated as a separate and independent clause, and the unenforceability of any one clause will in no way impair the enforceability of any of the other clauses herein. Moreover, if one or more of the provisions contained in this Agreement is for any reason held to be excessively broad as to scope, activity, subject or otherwise unenforceable at law, such provision or provisions will be construed by the appropriate judicial body by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with applicable law.

(d) This Agreement and all aspects of the relationship between the parties hereto will be construed and enforced in accordance with and governed by the internal laws of the State of Utah, United States of America, without regard to its conflict of laws provisions.

(e) This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof. All other negotiations and agreements (written or oral) between the parties relating to the subject matter hereof are superseded by this Agreement, and there are no representations, warranties, understandings, or agreements other than those expressly set forth herein. The language of all parts of this Agreement will in all cases be construed as a whole in accordance with its fair meaning and not strictly for or against either party hereto.

SIGNED by

X\_\_\_\_\_ Date\_\_\_\_\_

For and on behalf of

\_\_\_\_\_  
[The Buyer]

SIGNED by

X\_\_\_\_\_ Date\_\_\_\_\_

For and on behalf of

**Ydraw**  
\_\_\_\_\_  
[The Service Provider]