

## EDVANTAGE® SMALL BUSINESS (ESB) PROGRAM TERMS AND CONDITIONS

These "Edvantage® Small Business" (ESB) Program Terms and Conditions (the "T&C"), are made and entered into by and between the Customer and Van Horn Communications, Inc. (VHC).

### **BACKGROUND INFORMATION**

VHC owns a human resource and merchant loyalty program entitled Edvantage® Small Business (ESB). VHC wishes to partner with Customer on a program to benefit the Customer and its Employees.

VHC is a company specializing in the business of marketing and has developed the ESB Program as a value added product for businesses and their employees (Members).

The ESB Program consists of 5 components: an Employee Assistance Program (EAP), a Wellness Program, Training Programs, a Personal Assistant Program and a Discount Purchasing Program.

The Discount Purchasing Program contains an Internet website that allows Members to shop at over 1,400 national merchants and services. In return for the Member's patronage, the merchants have agreed to pay a rebate on the net amount paid on the Member's Internet purchase. The percentage of the merchant's rebate is listed on the ESB website to the right of the respective merchant's advertising banner. The entire amount of the posted rebate will be paid and reported directly to the Members.

The Wellness and Training are also fulfilled via an Internet website.

The EAP and Personal Assistant Program are available via the Internet website and via telecommunications.

### **TERMS**

Therefore, in consideration of the covenants described herein, the Customer and VHC hereby agree as follows:

#### 1.0 Responsibilities:

- 1.1 VHC will assume the following responsibilities in the course of representing VHC's ESB Program and the Customer.
  - 1.1.1 Provide the technical system and support to allow the ESB Program to function as described to the participating merchants, programs, members and Customer.
  - 1.1.2 Provide the use of the ESB Mark on all marketing and collateral materials used in conjunction with the Customer program for supporting the Employees.
  - 1.1.3 Consult on the design and production of all marketing materials.
  - 1.1.4 Responsible for the marketing and sales presentation to ESB merchant prospects.
  - 1.1.5 Provide the marketing support and implementation of the ESB system to all contracted ESB merchants.
  - 1.1.6 Provide on-going customer support for the merchants.
  - 1.1.7 Responsible for the ownership and/or fulfillment of all approved contracts with ESB clients and third party fulfillment arrangements.
  - 1.1.8 Any third party fulfillment organization will be licensed for any advertised or described service provided.
- 1.2 Customer will assume the following responsibilities in the course of representing the ESB Program.
  - 1.2.1 Distribute the ESB Program to Employees.
  - 1.2.2 Disseminate information to individual employees to encourage their participation in the ESB Program.
  - 1.2.3 Make best effort to continue to expand the ESB Program throughout the Employees.
  - 1.2.4 Responsible for all Customer employee wages, compensation, and expenses related to the Customer promotion of the ESB Program.

#### 2.0 Indemnification:

- 2.1 Customer and VHC each covenant and agree to indemnify and save the other party and its agents harmless from and against any and all claims, liabilities, fines, damages, penalties, suits, and expenses of all kinds or nature, including reasonable attorney's fees and disbursements, which may be imposed upon or incurred by or asserted against either party by reason of or arising out of the negligent, unlawful or wrongful act(s) of the other party. The provisions of this paragraph shall survive the termination of the T&C with respect to any damage or injury prior to termination.
- 2.2 VHC and Customer are not responsible or liable for the content of the websites, nor any activity or action taken by users visiting the websites.
- 2.3 VHC reserves the right, at its sole discretion, to modify or discontinue any or all website links in whole or in part, at anytime.
- 2.4 VHC and Customer are not responsible or liable for the members interaction with the internet merchants found on the ESB website, including without limitation, the purchase or sale of goods or services, related terms, conditions, warranties or representations by the merchant.
- 2.5 VHC and Customer are not responsible or liable for the interactions, advice or response from any third party fulfillment organization.

3.0 License to Marks: Subject to the T&C, VHC hereby grants to Customer a non-exclusive license for the term of this agreement, to use both the Marks in conjunction with the production, publication, marketing, promotion, advertisement, and presentation of the ESB Program. Customer shall not sublicense the Marks or assign any of its rights under this agreement.

#### 4.0 Relationship:

- 4.1 The relationship between Customer and VHC is that of independent corporations. Neither party shall be deemed a partner, joint venturer, or agent of the other, and neither party shall be liable for any debts, accounts, obligations, or other liabilities of the other party, its agents, or its employees. Neither party is authorized to incur debts or other obligations of any kind on the part of, or as agent for, the other except as may be specifically authorized in writing. No fiduciary relationship exists between the parties.

- 4.2 There is no implied ownership by Customer of VHC's products, services, patents, trademarks, copyrights, customer contracts, sponsorship agreements, licenses, materials, databases, or territories. To the contrary all products, services, copyrights, trademarks and patents are the sole and exclusive ownership of VHC and James Van Horn.
- 4.3 This Agreement is solely for the purpose of Customer using services of VHC's ESB Program. VHC's ESB Program is the facilitation of any payment through the ESB Program. Nothing herein should be construed as a mandate or requirement that VHC contract or conduct business with any party, client or merchant of Customer. To the contrary VHC reserves the right to decline a relationship with any merchant, corporate prospect, corporation, person or any other entity for any reason and with no liability against VHC.

5.0 Compensation:

- 5.1 VHC will create a personalized website within the ESB Program and will issue a unique ESB Access Code for Employees being contacted by the Customer to participate in the ESB Program. VHC is paid an annual enrollment fee as determined by the attached "Schedule A".
- 5.2 VHC is also compensated by the merchants for coordinating the Internet shopping program.
- 5.3 Customers and Employees (Members) participating in the Discount Purchasing portion of the ESB Program will receive 100% (One Hundred Percent) of the rebate posted on the ESB website that corresponds with each unique participants purchasing.
- 5.4 VHC will coordinate the rebate payments to the Customer and Employees.
- 5.5 Rebate payments made to Members are made 90 days after the first business day following the conclusion of each quarter. The quarters are defined as: 1<sup>st</sup> quarter (December 16<sup>th</sup> to March 15<sup>th</sup>), 2<sup>nd</sup> quarter (March 16<sup>th</sup> to June 15<sup>th</sup>), 3<sup>rd</sup> quarter (June 16<sup>th</sup> to September 15<sup>th</sup>) and 4<sup>th</sup> quarter (September 16<sup>th</sup> to December 15<sup>th</sup>). Payments are only made to those Members who have exceeded the threshold of \$25.00. Those Members that do not exceed the \$25.00 threshold will continue to accumulate value for their purchases, until they exceed \$25.00. At which point they will receive their rebates in the form of a debt card, gift card or check for the full balance of their accumulated rebates.

6.0 Term:

- 6.1 The term of this relationship is one (1) year commencing on the date of execution and shall automatically renew for subsequent one-year terms on the first anniversary and annually thereafter. Either party may terminate this relationship after the initial one-year term by giving at least ninety (90) days notice of its intent to terminate.
- 6.2 Customer will receive an invoice 30 days prior to the renewal date. Invoice must be paid in full to keep the ESB Program available to the Customer and its Employees.
- 6.3 In the event of a termination of this relationship, the T&C are applicable to any obligation of either party arising prior to the effective date of any such termination will remain in full force effect.
- 6.4 VHC or Customer may terminate the relationship without a ninety (90) day notice for reasons of breach of contract, violation of covenants, misrepresentation, illegal practices, or any reason deemed detrimental to the fulfillment of these T&C.
- 6.5 The enrollment fee is non-refundable if Customer chooses to terminate the relationship prior to the fulfillment of the term, if the personalized website has already been created and/or any Employees have activated their memberships.

7.0 Display of Marks and Legend: VHC shall assure that all items on which any of the Customer's Marks are displayed shall be in a form approved by Customer.

8.0 Rights in Marks: VHC acknowledges the validity of and ownership by Customer of the Customer Marks and agrees to take no action that would prejudice or interfere with that validity or ownership. All goodwill arising from VHC's use of the Customer Marks under these T&C shall inure to Customer.

9.0 Third Party Acts: VHC is not liable to any party including Customer for terrorism acts of third parties or act of God including failure of any processor or system as a result of such acts.

10.0 Non-Compete Confidentiality: In the event Customer terminates this relationship, Customer agrees not to compete with VHC for a period of three (3) years.

11.0 Assignment: Neither Customer nor VHC shall assign its rights or obligations without written consent from the other party in this agreement.

13.0 Controlling Law: These T&C shall be construed according to the laws of the State of Pennsylvania to the extent that federal law does not preempt such laws.

14.0 Attorney's Fees: Should any legal action, whether by formal suit or otherwise (including arbitration), be taken, the prevailing party shall be entitled to reasonable attorney's fees and costs (exclusive of damages) from the other.

## SCHEDULE A

**Edvantage<sup>®</sup> Small Business** is priced by Employee Enrollment and is paid on an annual basis for 1-year terms.

Employee Enrollment	Price per Year
1-15	\$390.00
16-100	\$390 plus \$25.00 for every Employee above 15
101 or more	Please call to discuss