



AGENDA
CITY COUNCIL MEETING
February 15, 2022
S. 124 Lefevre Street, 6:30 PM

NOTE: The Governor's Order 20-28.15 regarding the OPMA remains in effect. It requires public meetings/hearings be held remotely with the option of also holding an in-person component to a public meeting/hearing if certain conditions are met. At the present time the City has determined not to hold an in-person component to a public meeting/hearing.

Join Zoom Meeting

<https://us06web.zoom.us/j/81949853399?pwd=cIVFdXpHNjhgZUQyZkhuZXZsdHluZz09>

Meeting ID: 819 4985 3399

Passcode: 579266

One tap mobile

+13462487799,,81949853399# US (Houston)

+17207072699,,81949853399# US (Denver)

Dial by your location

+1 346 248 7799 US (Houston)

+1 720 707 2699 US (Denver)

+1 253 215 8782 US (Tacoma)

+1 312 626 6799 US (Chicago)

+1 646 558 8656 US (New York)

+1 301 715 8592 US (Washington DC)

Meeting ID: 819 4985 3399

Find your local number: <https://us06web.zoom.us/u/kbJZf6X8vN>

1. Call to Order, Pledge of Allegiance and Roll Call

A. Additions to Agenda

B. Excused Absence(s)

1. Tony Harbolt

2. Approval of Minutes

1. February 1, 2022 Council Meeting

3. Interested Citizens: Audience Requests and Comments

4. Scheduled Items

A. Mayor's Report

1. Proclamations, Presentations and Recognitions

2. Appointments

3. Meetings and Other Information

4. Staff Report

a. Request for additional \$2,000 within Executive Dept. for Mayoral Travel Expenses.

b. Request for additional \$8,000 within Finance Dept. Budget for Update/Remake of City Website.

c. Discussion About Council Policy and Agenda Format Change.

B. Finance Committee Report

C. Planning Commission Report

D. Parks and Recreation Committee Report

E. Public Works/Recycling Committee Report

F. Public Safety Committee Report

G. Members Report

H. Consent Agenda

1. Approval of Claims and Payroll

Claims: Warrants **40986** and **40989** through **41042**.

Payroll Claims: Accounts Payable Warrants **40987** and **40988** in the amount of **\$161,366.89**.

I. Old Business

J. Executive Session

K. Adjournment

Next Regular Council Meeting: March 1, 2022 @ 6:30 p.m.

City of Medical Lake Councilmember Excused Absence Request Form

Councilmember:

Tony Harbolt

Meeting Type:

Committee

Council

Meeting Date:

02/15/2022

Reason For Absence:

City Business

Military Orders

Ill or Injured

Employer Business

Vacation

Other (Please Describe)

Funeral Travel

Date Requested:

02/11/2022 By Phone

Approved By Council/Committee Motion On: _____

Denied By Council/Committee Motion On: _____



**CITY OF MEDICAL LAKE
City Council Regular Meeting**

6:30 PM
February 01, 2022

MINUTES

Council Chambers
124 S. Lefevre Street

NOTE: This is not a verbatim transcript. Minutes contain only a summary of the discussion. A recording of the meeting is on file and available from City Hall.

COUNCIL AND ADMINISTRATIVE PERSONNEL PRESENT

Councilmembers

Tony Harbolt
Don Kennedy
Dawn Olmstead
Chad Pritchard
Bob Maxwell
Art Kulibert
Heather Starr

Administration/Staff

Terri Cooper, Mayor
Doug Ross, City Administrator
Karen Langford, Finance Director
Kendel Froese, City Attorney

1. Call to Order, Pledge of Allegiance and Roll Call

- Mayor Cooper called the meeting to order at 6:30 p.m. and led the Pledge of Allegiance.

A. Additions to Agenda: None

B. Excused Absence(s): None

2. Approval of Minutes

1. January 18, 2022 Council Meeting Minutes

Councilmember Pritchard moved to approve. Councilmember Kulibert seconded.
Motion carried (7-0).

3. Interested Citizens: Audience Requests and Comments:

1. Judy Mayulianos at 608 S. Lake St. Medical Lake, WA.

- Ms. Mayulianos had a question about a development taking place along N. Stanley St. City Attorney Kendel Froese answered it was an apartment complex.

4. Scheduled Items

A. Mayor's Report

- Mayor Cooper introduced recently hired Administrative Assistant Karin Morris. Ms. Morris gave a brief background on herself.

1. Proclamations, Presentations and Recognitions: None

2. Appointments: None

3. Meetings and Other information:

- Mayor Cooper discussed dates and times for upcoming Committee Meetings.
- City Council and Mayor Cooper agreed on Wednesday, March 9, 2022 for a community forum to receive public input on possible ARPA expenditures. The meeting will begin at 7 p.m. and be posted as a Special Council Meeting.

4. Staff Report

a.) Memorandum of Understanding Between City of Medical Lake and Medical Lake Community Outreach

- The agreement provides Medical Lake Community Outreach with a \$50,000 grant to be used for utility bill relief from the City's ARPA funds.

Councilmember Kennedy motioned to approve. Councilmember Harbolt seconded. Motion carried (7-0).

B. Finance Committee Report:

- Committee Chair Starr reported that the committee had reviewed the City's warrants and payroll amounts presented on the Consent Agenda.

C. Planning Commission Report:

- The Planning Commission had a virtual meeting on January 27, 2022. Agenda items were tabled until in-person meetings can be held.

D. Parks and Recreation Committee Report:

- The second week of Youth Basketball has been completed. City Administrator Ross thanked Medical Lake parents for abiding by the school district's rules for attendance to the games.

E. Public Works/Recycling Committee Report:

- Administrator Ross informed the Council that water service shut offs were beginning again later in the month. Posted on the City's website are resources where residents can apply for utility bill relief if needed.

F. Public Safety Committee Report:

- Spokane County District 3 Fire Chief Cody Rohrbach updated the Council on the 2021 call statistics and gave a brief outline of how the City became part of District 3. He stated the average response time for all calls in 2021 from Station 311 (Medical Lake Station) was 7.1 minutes.
- Chief Rohrbach stated they are doing a volunteer fire fighter drive to sign up new recruits.

G. Members Report:

- Councilmember Olmstead is thankful for the community attending the City Council meetings.
- Councilmember Starr had some questions about the process of awarding community members for a Good Samaritan type award.
- Councilmember Pritchard attended an H.C.D.A.C. meeting on January 20, 2022. The next meeting is February 17, 2022.
- Mayor Cooper's first meeting with S.R.T.C. is soon. She has met with Avista, District 3 Fire Chief, and West Plains Chamber of Commerce. If anyone would like to meet with the Mayor, they can contact City Hall at 509-565-5000 or email her at tcooper@medical-lake.org.

H. Consent Agenda

1. Approval of Claims

Claims: Warrants 40854 through 40858 and 40871 through 40876 and 40890 through 40944 in the amount of \$243,104.01 (13th Month 2021).

Claims: Warrants 40945 through 40976 in the amount of \$272,257.78.

Payroll Claims: Payroll Warrants 20070 through 20082 and Payroll Accounts Payable Warrants 40977 through 40985 in the amount of \$144,310.37.

Councilmember Kulibert motioned to approve. Councilmember Kennedy seconded. Motion carried (7-0).

I. Old Business: None

J. Executive Session: None

K. Adjournment:

Councilmember Kennedy motioned to adjourn. Councilmember Pritchard seconded. Motion to adjourn carried (7-0). Meeting adjourned at 7:16 P.M.

Mayor

Finance Director

Attachment A: Agenda Format

AGENDA
CITY COUNCIL MEETING
Date Location Time

1. Call to Order, Pledge of Allegiance and Roll Call

The presiding officer calls the meeting to order. The presiding officer leads the pledge of allegiance to the American flag. From time to time, the presiding officer may designate another person or invited guest to lead the pledge.

The presiding officer will call roll for the city clerk to record. Requests for excused absences will be announced and put to a vote. Excused absences will be governed by the policy shown in Attachment 2.

A. Additions to Agenda

The presiding officer will call for additions to the agenda. The mayor, city administrator or any council member may ask for additions to the agenda. The city council may ask questions to yield sufficient information for a decision as to whether the item should be added. The merits of the specific item will not be discussed at this time. A majority vote of the present council members is required to add an item to the agenda. The members of the city council should take care to assure that the late addition of an action item does not unnecessarily thwart public input on an item. If an added item should be discussed with a specific committee report, it should be noted in the motion.

Otherwise, all added agenda items will be placed under "Discussion of Additions to the Agenda" which is placed at the end of the business meeting.

B. Discussion of Additions to the Agenda

2. Approval of Minutes

The presiding officer will ask council members for additions, corrections or deletions to any minutes of previous meetings submitted by the city clerk for approval. Approval shall be by majority vote of the city council. By this action, the city council verifies that the minutes are a correct and accurate account of the meeting.

3. Interested Citizens: Audience Requests and Comments

The presiding officer will ask members of the public in attendance if there are any requests or comments to address to the city council. Members of the public will be required to come to the podium and will state their name and address for the record. A sign-up sheet will be made available by the city clerk and the mayor will give preference to those persons, in order of signing. After the list has been exhausted, the presiding officer will ask if others wish to speak. They will be recognized by the presiding officer.

This is an open forum in which members of the public are allowed to comment on those items about which they are concerned. When the open forum is introduced, the presiding officer will ask the speakers to identify whether they wish to comment on a specific agenda item. If the speaker is commenting on a specific agenda item, the person will be asked to identify the item. The presiding officer will ask the city council if it wishes to hear the comments during the open forum or at the time the matter is up for consideration on the agenda. Members of the public will not be allowed to address the city council at the time a specific agenda item is considered unless they have requested and have been granted the floor by the council.

Public hearings, by their nature, will receive public testimony at the time of the agenda item and during the public hearing.

4. Scheduled Items

A. Consent Agenda

The consent agenda is a portion of the agenda reserved for passage of routine items of city business with a single motion. Includes small contracts within signing authority limits of the mayor as determined by city council. The city council has adopted rules governing the use of the consent agenda, which are included as attachment 5.

B. Discussion on Consent Agenda

4.1 ACTION ITEMS

This section of the agenda is structurally organized for the conduct of city business in a formatted, easily recognized way. The City Council may alter this format from time to time with a majority vote.

Scheduled items are arranged in the following hierarchical order: public hearings, ordinances, resolutions, interlocal agreements, contracts, other action items, informational reports. The reports are generally given by the chair or a committee member. Staff input is given by request.

- A. Public Hearings
- B. Ordinances
- C. Resolutions
- D. Interlocal Agreements
- E. Contracts

4.2 REPORTS

A. Mayor's Report:

1. Proclamations, Presentations & Recognition

This portion of the agenda is set aside for recognition of staff, elected officials, members of the public and groups for awards, exceptional accomplishments, proclamation of special days, etc.

2. Appointments

This portion of the agenda is set aside for announcement of the exercise of the mayor's appointing authority. If an appointment requires city council confirmation, it will be duly noted and acted upon at this point. This is also where the appointment of elected officials and staff to committees and governing boards of other agencies is announced. A council member may choose to make such an announcement involving that council member during the member report.

3. Meetings and Other Information

This portion of the agenda is set aside for the mayor to report on the activities, committees, boards, commissions, etc. in which the mayor is involved as public official.

B. Staff and Committee Reports

This portion of the agenda is set aside for the city administrator to report on activities of the staff which are of informational or policy interest to the city council. The city administrator also may report on the activities, committees, boards, commissions, etc., in which the administrator is involved as public official. General administrative action items which are not easily assigned or passed through functional committees of the council are brought up here for discussion and action.

Committee Reports: The committee reports are agenda items 1 through 7. The actual placement of the reports rotates once each quarter, with item 7 rotating up to 1. The reports represent the activities of the functional committees of the council. All items having to do with the departments and services reviewed by these oversight committees are reported at this time, including scheduled agenda items.

1. Parks and Recreation Committee Report

The committee chair or designee reports on the action items and activities of the Parks Department and Recreation Department.

2. Finance Committee Report

The committee chair or designee reports on action items and activities of the Finance Department, plus budget and financial matters of the city. This committee acts as the oversight committee for the administrative departments of Legislative, Judicial, Legal and Civil Service.

3. Planning Commission Report

The commission chair or planning director reports on the action items and activities of the planning commission. If land use items governed by the "appearance of fairness" doctrine are involved, the presiding officer will clearly designate this and go through the public disclosure process. Council members should also consult the agenda packet information with regard to the handling of a docketed land use agenda item.

4. Public Works/Recycling Committee Report

The committee chair or designee reports on action items and activities of the Public Works Department. Those services under the committee umbrella are building code enforcement, nuisance code enforcement, facilities, streets, sewer, water, drains, garbage and recycling. This is also the oversight committee for the planning department for issues involving personnel, contracts, budgets, etc. For ease of differentiation, those items involving the planning department will be docketed on the agenda under the planning commission report.

5. Public Safety Committee Report

The committee chair or designee reports on action items and activities of the Police, Fire and Animal Control Departments.

6. Information Systems Committee Report

There is an appointed council oversight committee for information systems. This committee is staffed by the finance director and meets when the need arises. Action items and activities which are reported out of this committee will have to do with policy issues on computerization, networking, website, telephones, social media, and other like technologies. When there has been a meeting and there are items to report out of committee, a report will be added to the agenda.

C. Council Member Reports

This portion of the agenda is set aside for the council members to report on the activities, committees, boards, commissions, etc., in which the member is involved as public official. This is an opportunity for council members to raise ideas or issues which may result in future policy or legislative consideration.

Council members should take care not to use this as a forum to deliver the complaints of an individual, to publicly criticize colleagues or staff or to surprise the room with information which may prove to be damaging or embarrassing to an individual or the city organization. The city council has access to the mayor and staff with the ability to gain the information needed to make good decisions. An information request form is included as attachment 3. The city has a specific written complaint process. A complaint form is included as attachment 4.

5. Approval of Claims and Payroll

The claim vouchers and payroll warrants are two of the items that are always on the consent agenda. By practice, the presiding officer reads the beginning and ending numbers of the voucher and warrant documents and the respective total amounts of money in each category. The purpose of this practice is to identify the amount of public money that is being approved for expenditure. This is not required, but is a matter of keeping the sun shining on the expenditure of public funds.

6. Approval of Contractor Progress Payments

By recent practice, when there is a public improvement contract active in the city, the amount of the contract being liquidated in the claim vouchers is shown on the agenda for the same reasons of public information cited above. In addition, it represents' aft inherent acceptance of the project to the level at which it is being liquidated, up to and including the release of retainage. Since it is already in the claim vouchers, it does not need to be included in the motion.

7. Old Business

This is the location for business which has previously been considered by the city council and has returned for further consideration. In arranging the agenda, the mayor and staff will make a judgement as to whether the business is more appropriately located at a committee report. Items such as second readings of ordinances, continued budget deliberations or a long policy project would be located in this area. ..

8. Executive Session

Executive sessions or closed meetings may be held in accordance with the WA State Open Meetings Act. The purpose and authority reference will be noted on the Agenda. See purpose and procedure in text of council policies and procedures.

9. Adjournment:

When there is no further business, the presiding officer will adjourn the meeting. By practice, the presiding officer asks for a motion to adjourn to assure that the city council is ready to adjourn.

Next regular meeting

The date of the next regular meeting and any special meetings which will be held in the intervening period will be shown here.

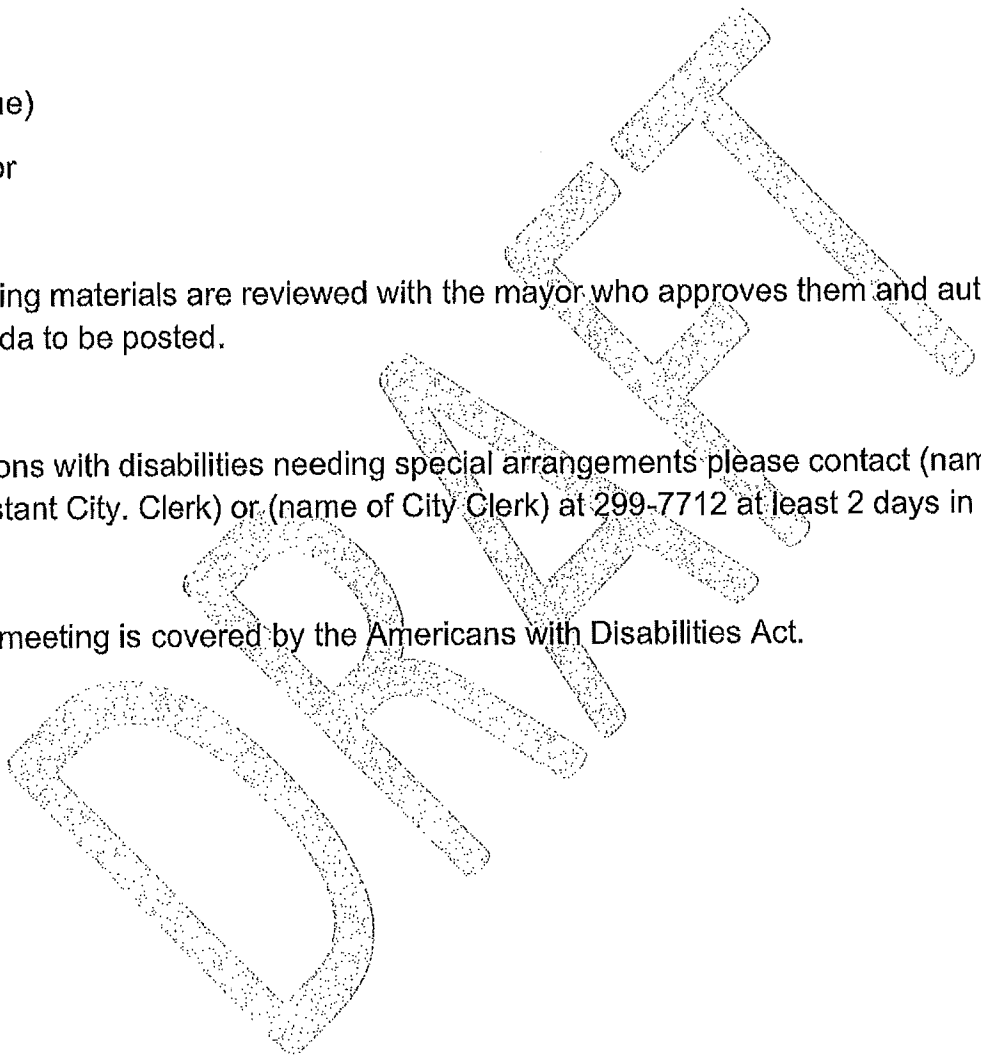
(Name)

Mayor

Meeting materials are reviewed with the mayor who approves them and authorizes the agenda to be posted.

Persons with disabilities needing special arrangements please contact (name of Assistant City Clerk) or (name of City Clerk) at 299-7712 at least 2 days in advance.

This meeting is covered by the Americans with Disabilities Act.



PROFESSIONAL ONLINE MARKETING
SERVICES AGREEMENT

ZIPLINE[®]
<interactive>

Section 1:
PROFESSIONAL ONLINE MARKETING SERVICES AGREEMENT

This agreement is hereby entered into between **Zipline Communications Inc. DBA Zipline Interactive** (hereinafter referred to as "Zipline"), and _____
(hereinafter referred to as "Client") on _____.

1. SERVICES

Zipline is to provide Client with Online Marketing and Reporting Services (hereinafter referred to as "OM") as described in this agreement. Zipline is authorized to use the specific keywords and/or phrases set forth below for development, improving the ranking of, and/or positioning the contents of the Client's URL(s) in the search engines and/or directories that are most frequently used by the general public which are defined below and/or build exposure for the client through paid advertising, email marketing, video creation, content development, or other related services more specifically defined in the attached Project Estimate.

2. FEES & CONTRACT TERMS

The total fee for this OM project is outlined in the attached Project Estimate. The contract shall automatically renew each month. Cancellation of the agreement may be possible after the minimum contract term by providing written notice 30 days in advance of the next automatic contract renewal date. Fees shall be collected every 30 days through a credit card transaction using the authorized credit card in Section 2 of this agreement. All collected fees are non-refundable.

3. SERVICE OVERVIEW

Zipline may provide the following services (but is not limited to):

- Research keywords and phrases to select appropriate, relevant search terms.
- Obtaining "backlinks" from other related websites and directories in order to generate link popularity and traffic.
- Editing and/or optimization of text for various html tags, META data, page titles, and page text as necessary.
- Analysis and recommendations on optimal website structure, navigation, code, etc. for best SEO purposes.
- Recommend, as required, additional web pages or content for the purpose of "catching" keyword/phrase searches.
- Hand-submit your pages to the major search engines and directories.
- Create analytic and ranking reports on a monthly basis.
- Placing advertising on popular advertising platforms like Google, Facebook, Twitter, Pinterest, AdRoll, and others.
- Create content, emails, blog posts, and other marketing elements to be distributed on behalf of the Client.

4. CLIENT REQUIREMENTS

For the purposes of receiving professional OM services, Client agrees to provide the following:

- Administrative/backend access to the website for analysis of content and structure. Including FTP and CMS access if applicable.
- Permission to make changes for the purpose of optimization, and to communicate directly with any third parties, e.g., your web designer, if necessary.
- Unlimited access to existing website traffic statistics for analysis and tracking purposes.
- Client authorizes Zipline use of all Client logos, trademarks, web site images, etc., for use in creating informational pages and any other uses as deemed necessary by Zipline for search engine positioning and optimization.
- If Client's site is lacking in textual content, Client will provide additional text content in electronic format for the purpose of creating additional or richer web pages. Zipline can create site content at additional cost to the Client. If the Client is interested in purchasing content writing services from Zipline, please contact Zipline for a cost estimate.

5. ACKNOWLEDGMENTS

Client must acknowledge the following with respect to services:

- All fees are non-refundable.
- All fees, services, documents, recommendations, and reports are confidential.
- Zipline has no control over the policies of search engines with respect to the type of sites and/or content that they accept now or in the future. The Client's website may be excluded from any directory or search engine at any time at the sole discretion of the search engine or directory. Zipline will endeavour to only utilize white-hat techniques that comply with the terms of service of major search engines to reduce any risk of pennilization or blacklisting.
- Due to the competitiveness of some keywords/phrases, ongoing changes in search engine ranking algorithms, and other competitive factors, Zipline does not guarantee #1 positions or consistent top 10 positions for any particular keyword, phrase, or search term.
- Google has been known to hinder the rankings of new websites (or pages) until they have proven their viability to exist for more than 6 months. This is referred to as the "Google Sandbox". Zipline assumes no liability for ranking/traffic/indexing issues related to Google Sandbox penalties.
- Occasionally, search engines will drop listings for no apparent or predictable reason. Often, the listing will reappear without any additional SEO.
- Some search directories offer expedited listing services for a fee. If the Client wishes to engage in said expedited listing services (e.g., paid directories), the Client is responsible for all paid for inclusion or expedited service fees.
- Linking to "bad neighborhoods" or getting links from "link farms" can seriously damage all SEO efforts. Zipline does not assume liability for the Client's choice to link to or obtain a link from any particular website without prior consultation.

6. WEBSITE CHANGES

Zipline is not responsible for changes made to the web site by other parties that adversely affect the search engine rankings of the Client's web site.

7. ADDITIONAL SERVICES

Additional Services not listed herein (such as managing pay-per click campaigns, copywriting, web design, mobile design, etc.) can be provided for an additional fee.

8. COPYRIGHT

Client guarantees any elements of text, graphics, photos, designs, trademarks, or other artwork provided to Zipline for inclusion on the website above are owned by Client, or that Client has received permission from the rightful owner(s) to use each of the elements, and will hold harmless, protect, and defend Zipline and its subcontractors from any liability or suit arising from the use of such elements.

9. OVERWRITING

Zipline is not responsible for the Client or another 3rd party with access to the Client's website overwriting OM work to the Client's site and impacting rankings.

10. LEGAL VENUE

This Agreement shall be governed by the laws of Washington State. In the event Client breaches, or threatens to breach this Agreement, Zipline may apply to a court of competent jurisdiction for injunctive or other equitable relief to restrain such breach or threat of breach, without disentiing Zipline from any other relief in either law or equity. The parties agree that any action related to this Agreement shall be venued solely in the United States District Court for the Eastern District of Washington with venue in Spokane County, and the parties hereby irrevocably commit to the jurisdiction of said court for any such action.

11. ATTORNEY'S FEE

In the event of breach of this Agreement by Client, Zipline shall be entitled to reimbursement of all of its costs and expenses, including reasonable attorneys' fees, incurred in connection with such dispute, claim or litigation, including any appeal thereof.

12. STATUTE OF LIMITATIONS

In the event of an alleged breach of this Agreement, any claim or potential claim must be brought within two (2) years of the termination of this Agreement.

13. NOTICES

Any notice pursuant to this Agreement shall be in writing and delivered to the addresses designated by the parties in the signature block below.

**APPROVAL OF THE
PROFESSIONAL SEARCH ENGINE OPTIMIZATION SERVICES AGREEMENT**

Client Representative, _____ Date _____

Zipline Representative, _____ Date: _____

**Section 2:
CREDIT CARD BILLING AUTHORIZATION**

Cardholder Information:

Name on Card: _____

Company: _____

Address: _____

City: _____ State: _____

Zip: _____ Phone: _____

Credit Card Information:

Credit Card #: _____

Expiration Date: _____ CVV Number: _____

I authorize Zipline to charge the above credit card every 30 days, in accordance with the **FEES & CONTRACT TERMS** as mentioned in the **Section 1: PROFESSIONAL SEARCH ENGINE OPTIMIZATION SERVICES AGREEMENT**, beginning on the date of this contract's execution.

Cardholder Signature, _____ Date _____



PROJECT, SERVICE, & LICENSE AGREEMENT

This Project, Service & License Agreement ("Agreement") is between Zipline Communications, Inc., a Washington corporation doing business as Zipline Interactive being headquartered at 3830 E. Trent Ave. Spokane WA 99202 ("Zipline Communications") and _____ ("Client"). This Agreement is effective as of the date of signing by the Client.

The parties hereto agree as follows:

1. SERVICES

Zipline Communications agrees to provide the Services and/or Products accepted by Client on the Project Summary section of the Proposal prepared specifically for Client. If the parties agree to additional Services or Products are included, the terms of this Agreement shall be incorporated by reference into such agreement. Service refers to the initiation of processes for concept design, creation, implementation, hosting, and approval by Client of Client's website. Product refers to any property created by Zipline Communications for Client. A description of each Service and Product included hereunder, including the specific items included or excluded for each, is included in the Proposal prepared for Client, and such descriptions are specifically incorporated herein by reference.

2. PRICING & PAYMENT

The pricing for all Services and Products is listed on the Project Summary. No work will commence until the initial payment is received. Initial invoiced amount of 50% of all Services and Products provided under this Agreement is paid and accepted as a deposit. The two remaining payments of 25% each will be due based on project progression or 5 days before completion of the project, whichever comes first. The first remaining payment will be due upon design sign-off. The second remaining payment will be due at project completion, prior to delivery of the Product. No work will continue if the payment is outstanding. If the total amount due under this Agreement is less than \$2500, the total amount due must be paid 100% in advance. Retainers and monthly services are paid one month in advance and no work will be performed until payment is accepted.

Additional Services, including additional fixes and requests, will result in additional charges and will potentially postpone the finish date. Additional Services include:

updates or changes, which are provided at a rate of \$180 per hour, printing costs, which are separate from all print design pieces, and any other Service or Product not included in the Proposal. Zipline Communications has the right to change any of the monthly charges with a 30 day written notice of such a change to the client.

Any monthly charges listed on the Project Summary are based on a yearly contract.

In the event that any amount owed to Zipline Communications remains unpaid 15 days after presentation of an invoice to Client, Zipline Communications, in its sole discretion, may immediately terminate this Agreement in accordance with the provisions of Paragraph 3 and/or withhold or suspend Services. Suspension of Service does not necessarily imply termination of this Agreement and service charges will continue to accrue as if no suspension had occurred. Reinstatement of a suspended or terminated Service requires a \$300 reinstatement fee along with a 10% finance charge on the amount overdue. All taxes, fees, and governmental charges relating to the Services or Products provided hereunder (other than income taxes of Zipline Communications) shall be paid by Client. All payments are in U.S. currency, and are to be paid to Zipline Communications as follows:

- i. Paying by Check: Make check payable to Zipline Communications. Mail to 3830 E. Trent Ave. Spokane WA 99202.
- ii. Paying by Credit Card: *Zipline Communications accepts only VISA and MASTERCARD.*

Checks returned unpaid (NSF) are assessed a \$100 charge.

3. TERM & TERMINATION

The initial term of this Agreement ("Initial Term") shall be (1) year beginning on the date of this Agreement. After the Initial Term, unless otherwise agreed to by the parties, this Agreement shall automatically renew for successive terms of equal length as the Initial Term. Client has 30 days following the expiration of the Initial Term to notify Zipline Communications in writing of Client's desire to terminate service with no termination cost related to the monthly fees to Client and no liability to Zipline Communications. During any renewal, all terms and conditions of this Agreement shall remain in full effect. The Initial Term plus all successive renewal periods during which any Service is provided shall be collectively referred to as the "Term".

Zipline Communications may terminate this Agreement as follows: (i) Zipline Communications may terminate, without cause, by giving Client 15 days prior notice; any service not performed by Zipline Communications shall be credited to Client, or (ii) Zipline Communications may terminate, at any time, upon 5 days prior notice if, in the sole judgment of Zipline Communications, Client breaches any material provision of this

Agreement and has not cured same by the end of the 5 days; or (iii) Zipline Communications may terminate at any time in the event of nonpayment by Client.

Client may terminate this Agreement before the expiration of the Term only if the following conditions are satisfied: (i) Client provides 30 days written notice to Zipline Communications of its intent to terminate; and (ii) Client pays Zipline Communications in full for all Services or Products delivered to Client prior to the termination date; and (iii) Client pays an early termination fee equal to 50% of all remaining Services and Products to be delivered to Client during the Term of this Agreement.

4. REPRESENTATION & INDEMNIFICATION

Unless otherwise expressly stated, both parties represent that they own all rights, title, and interest in and to any property presented to the other party in furtherance of this Agreement ("Ownership Representation").

In the event that a party breaches the Ownership Representation, the breaching party shall indemnify and hold harmless the other party from any liabilities, penalties, demands, or claims finally awarded that may be made by a third party and related to the Ownership Representation. Both parties agree to notify the other party promptly of any written claims or demands against the indemnified party for which the indemnifying party is responsible hereunder. Further, upon receipt of such notice, the indemnifying party shall promptly reimburse the indemnified party for any and all attorneys' fees, costs, or expenses incurred in defending against any written claim or demand.

5. DISCLAIMERS

Client acknowledges and understands that neither Zipline Communications, nor any of its employees, representatives, agents or the like, warrant that the Services or Products offered or provided hereunder will not be interrupted or be error free. Zipline Communications shall fix errors caused from its service within 24 hours so long as Client has a support agreement or it is less than 30 days from the date of the Client's acknowledgement of completion of the project. All websites and applications are designed and coded for a PC and MAC and the latest Internet Explorer, Firefox, Chrome, and Safari browsers. Beta browsers are not supported. Neither Zipline Communications nor any company can guarantee top placement on the search engines through SEO.

i. Third Party Services

Zipline Communications can take no responsibility for services or products provided by third parties through us or otherwise, including the hosting of the Client's website. Third party providers include but are not limited to web hosting services, external APIs, gateway services, or other systems not owned by Zipline Communications that are integrated with our Services or Product.

Client acknowledges that if selecting a hosting provider other than Zipline Communications, Zipline Communications will not be responsible for website elements related to hosting. These elements include, but are not limited to, website server software, website security, website backups, website up-time.

Client acknowledges that selecting a hosting provider other than Zipline Communications will result in the termination of any obligation by Zipline Communications to the Client for maintenance or correction of errors found in relation to the Services or Product as well as any written or implied warranties.

ii. Maintenance and Correction of Errors

Zipline Communication takes no responsibility for the functionality, maintenance, or errors of the Product after it has been delivered and final sign-off has been provided by the Client. Zipline Communications reserves the right to charge a reasonable fee for correction of errors for which Zipline Communications is not responsible, including, but not limited to, malicious modification of the Product by a third party and typographical errors contained in materials provided to Zipline Communications by the Client. It is the Client's responsibility to approve every aspect of the Product before it is launched and applicable fees shall be assessed for additional changes made post launch.

iii. Consequential Loss

Under no circumstances will Zipline Communications be responsible or liable for financial or other loss or damage caused by the failure or use or misuse of its software. The Client should ensure that data on their site, email messages, email backups from web forms, and other retained data are stored permanently independent of Zipline Communications to minimize losses as a result of software failure or hacking exploit.

iv. Search Engine Listings

Zipline Communications does not guarantee listings on search engines. The Client acknowledges and accepts that it is search engines and not Zipline Communications who determine whom they list and whom they will not. The Client further understands there is no guaranteed placement or rank on the search engines and that a new website may never even appear on search engines. Zipline Communications does not control search engine algorithms and large changes, shifts, and updates can occur without warning.

v. **Third Party Services**

The Client grants Zipline Communications the right to access third party services related to website construction for which the Client provides access credentials. Zipline Communications does not accept responsibility for maintaining, updating, or managing third party accounts for which access is provided. All contracts, agreements, and payments between the third party and the Client remain the sole responsibility of the client. Zipline Communications does not accept responsibility for hosting, domains, SSLs, or other services purchased independently of Zipline Communications. These services will continue to be paid for and maintained by the client.

vi. **Website Content Ownership**

The Client will obtain all the necessary permissions and authorities in respect of the use of all copy, graphic images, registered company logos, names and trademarks, or any other material it supplies to Zipline Communications for inclusion in the Product. The Client shall guarantee to Zipline Communications that all such permissions and authorities have been obtained and that the inclusion of such material within the Product would not constitute a criminal offense or civil delict. By agreeing to these terms and conditions, the Client removes the legal responsibility of Zipline Communications and indemnifies the same from any claims or legal actions however related to the content of the Client's site.

vii. **Promotional Materials**

The Client acknowledges that Zipline Communications is a vendor and that Zipline Communications can use the Client's name, company description, logo, and link on Zipline Communications' website and other marketing materials for press releases, case studies, and portfolio purposes. Zipline Communications will not share information deemed to be proprietary as described in Section 7 of the Agreement.

If there is information deemed to be inaccurate or outdated by the Client, Zipline Communications agrees to comply with a written removal request from the Client within 1 business day.

NON-SOLICITATION OF ZIPLINE COMMUNICATION EMPLOYEES

Client shall not solicit for hire and shall not hire any current Zipline Communications employee without Zipline Communications' consent in written form.

The parties agree that, in respect of information and computer programs provided by Zipline Communications under this Agreement, except as expressly stated herein, Zipline Communications **MAKES NO EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE PRODUCTS OR SERVICES, OR THEIR**

CONDITION, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE OR USE BY ANY CUSTOMER. ZIPLINE COMMUNICATIONS FURNISHES THE WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. PRODUCTS AND SERVICES PROVIDED UNDER THIS AGREEMENT ARE "AS IS" WITH ALL FAULTS, AND THE ENTIRE RISK AS TO SATISFACTORY QUALITY, PERFORMANCE, ACCURACY, AND EFFORT IS WITH THE USER OF SUCH INFORMATION OR PRODUCT OR SERVICE.

6. NONDISCLOSURE

Both parties agree that no proprietary information shall be disclosed and shall hold in confidence any and all proprietary information not already in the public domain, including, but not limited to, trade secrets, intellectual property, creative concepts, design and production processes, marketing information or techniques, price lists, pricing information, estimates, and client lists or other client information, whether in written, electronic, or oral form ("Information"). Both parties agree not to use the Information for any purpose other than the performance of the Services or development of Products for the designated project described in this Agreement. Both parties acknowledge that any disclosure of the Information will cause harm to the party of ownership. As a consequence, the parties agree that if either party fails to abide by the terms of this Agreement, the harmed party will be entitled to specific performance by the party at fault, including issuance of a temporary restraining order or preliminary injunction enforcing this Agreement, and a judgment for damages caused by breach of contract, and to any other remedies provided by applicable law.

Upon termination of this Agreement, to the extent that any party received Information owned by the other party, the receiving party shall destroy any and all Information or copies thereof, and, within 10 days of the termination of this Agreement, certify to the other party as follows: Zipline Communications certifies that it does not have in its possession, nor has it failed to destroy, any Information as defined in the Project & License Agreement between Zipline Communications and Client.

OWNERSHIP

So long as Client's balance owed is paid in full, Client shall own all right, title, and interest in the content, layout, and pictures of any Product developed by Zipline Communications exclusively for Client where such Product does not use or reference any property, trade secret, or proprietary information owned or used by Zipline Communications before the date of this Agreement. Accordingly, upon satisfaction of the prior condition, Zipline Communications hereby grants, conveys and assigns to Client all copyrights, trade secrets, patents and other intellectual property rights in such Product and all originals and copies of any such Product shall be provided to Client upon

Client's request or the termination or expiration of this Agreement.

For any Product or Service created and/or delivered under this Agreement that does use or reference any property, trade secret, or proprietary information owned or used by Zipline Communications before the date of this Agreement, ownership shall be allocated as follows:

- i. Zipline Communications shall retain all right, title and interest in the developer tools and applications, including but not limited to Strategy Documents, used or supplied by Zipline Communications in connection with developing the Product.
- ii. For all versions of Zipline Communications' content management software (ZLCMS), Zipline Communications hereby grants to Client a personal, non-assignable, nontransferable, nonexclusive object code license to use such software solely for Client's business purposes in the United States for the Term of this Agreement.
- iii. Zipline Communications shall retain all right, title and interest in any framework for any software created under this Agreement. "Framework" means any property used by Zipline Communications to develop or create software or websites or Service or any other item for Client under this Agreement where such property used by Zipline Communications existed prior to the date of this Agreement. Client shall own all right, title and interest in the end product. "End Product" means the property created above and beyond the Framework. Zipline Communications grants to Client a perpetual, personal, non-assignable, nontransferable, nonexclusive object code license to use such Framework solely for Client's use of the End Product for its internal business purposes in the United States.

7. LIMITATION OF LIABILITY

Liability of Zipline Communications under this Agreement shall be limited to the value of any fees paid by Client to Zipline Communications under this Agreement. Under no circumstances shall Zipline Communications be liable for lost profits or any incidental, special, punitive, exemplary, or consequential damages, except as set forth in the preceding sentence. Neither party shall be required to indemnify except as required by the express terms of this Agreement.

8. CLIENT NON-RESPONSE

It is mutually agreed that from time to time Zipline Communications will need access to client personnel and resources to provide project direction and feedback. Should Zipline Communications deem the client as non responsive, Zipline Communications will

promptly inform the Client in writing of such required feedback. Should the Client not respond within 5 days, Zipline Communications shall promptly inform client that the Zipline Communications project resources will be put on hold until such time that Client provides necessary access to personnel or resources and the Client promptly informs Zipline Communications in writing to re-engage Zipline Communications resources in the project. At that time, Zipline Communications may have up to 7 days to re-engage resources.

9. SERVICE LEVEL AGREEMENT FOR HOSTING SERVICES (not applicable for all Services and Products)

Zipline Communications understands the importance of server availability to our customers. We provide the following levels of service to ensure maximum performance and up-time. Zipline Communications provides Service Level Commitments in three key areas:

- i. Network Quality - Zipline Communications hosting service relies on the Amazon Web Services network meaning Zipline Communications relies on Amazon Web Services availability. Redundant network components are used to ensure up-time and eliminate any single point of failure. The Zipline Communications network is multi-homed through multiple redundant high-speed connections providing fast, reliable connectivity. The Client acknowledges that Zipline Communications ability to warrant up-time is limited to the availability of Amazon Web Service availability.
- ii. Network Up-time - Zipline Communications will strive to make sure that its hosting network is available 99.9% of the time in a given month, excluding scheduled maintenance which would be performed from 2am to 4am. Zipline Communications is not responsible for losses or perceived losses due to website availability related to downtime or hosting outages.
- iii. Hardware Guarantee - Hardware replacement will begin immediately upon identification of the hardware failure and is guaranteed to be complete within 48 hours of problem identification. Zipline Communications employs redundant hard drives, network cards, servers, and backup in case of a single point of failure.
- iv. Zipline Communications hosting service utilizes a third party backup service: Skeddly. Backups by Skeddly are made on a nightly basis to all web servers. In the case of a disaster, server failure, or other major outage resulting in the loss of a website or website data, the website is restored using the most recent Skeddly backup. Zipline Communication is not liable for any data lost between the period of backup and outage. Due to the third party nature of the Skeddly service, Zipline Communications is

unable to ensure an accurate Skeddly backup available and thus advises the Client to regularly backup their website and website content.

10. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by the laws of Washington State. In the event Client breaches, or threatens to breach this Agreement, Zipline Communications may apply to a court of competent jurisdiction for injunctive or other equitable relief to restrain such breach or threat of breach, without disentitling Zipline Communications from any other relief in either law or equity. The parties agree that any action related to this Agreement shall be venued solely in the United States District Court for the Eastern District of Washington with venue in Spokane County, and the parties hereby irrevocably commit to the jurisdiction of said court for any such action.

11. ATTORNEYS' FEES

In the event of breach of this Agreement by Client, Zipline Communications shall be entitled to reimbursement of all of its costs and expenses, including reasonable attorneys' fees, incurred in connection with such dispute, claim or litigation, including any appeal thereof, if found in favor of Zipline Communications. Same compensation applies to client, if client is prevailing party.

12. STATUTE OF LIMITATIONS

In the event of an alleged breach of this Agreement, any claim or potential claim must be brought within two (2) years of the termination of this Agreement.

13. NOTICES

Any notice pursuant to this Agreement shall be in writing and delivered to the addresses designated by the parties in the signature block below.

14. MISCELLANEOUS

This Agreement, including any Exhibits or other documents specifically incorporated by reference, sets forth the entire agreement between Zipline Communications and Client with respect to the subject matter hereof and supersedes all previous representations, understandings, or agreements and shall prevail notwithstanding any variance with terms and conditions of any other prior writing between the parties. If any provision of this Agreement is held to be invalid by a court of competent jurisdiction, then the remaining provisions shall nevertheless continue in full force and effect. The parties may not transfer or assign this Agreement without the prior written consent of the other party to this Agreement. The waiver by either party hereto of any breach of the terms and conditions hereof will not be considered a modification of any provision, nor shall such a waiver act to bar the enforcement of the subsequent breach. Zipline Communications may use client's name in case studies, press releases, and other marketing materials.



Accepted & Acknowledged

Zipline Communications Project, Service & Licensing Agreement v.4 revised January 15, 2020.

Client:

Company Name: _____

Name: _____

Signature: _____

Date: _____

Zipline Interactive:

Name: _____

Signature: _____

Date: _____