

COLLECTION POINT QUICKSTART SUBLICENSE AND SERVICES AGREEMENT

This Agreement ("Agreement") is entered into as of _____, ____ between **codeMantra LLC**, with office at 600 West German town Pike, Suite 400, Plymouth Meeting, PA 19462, USA ("cM" or "Service Provider") & **GPC Publishing Connections**, with offices at 515 chemin Riverside, Wakefield QC J0X 3G0 ("GPC") (Sales Associate) and [_____], with offices at [_____] ("Publisher").

1. INTRODUCTION

GPC and cM will provide Publisher with the following services ("Services"):

- digital file conversion ("Conversion")
- delivery of converted files to selected distributors ("File Delivery")
- storage of original and converted files ("Digital Assets")
- a customized web interface through which to place and manage these orders. ("CollectionPoint QuickStart" or "CPQS")
- archiving of files converted through this service. ("Archival Services")

In consideration of the mutual promises set forth below, cM, GPC and Publisher hereby agree as follows:

1.1 **Grant of Sublicense.** cM hereby grants Publisher the right to access and use CPQS for purposes of uploading, archiving, accessing, organizing and deploying Publisher's digital content files.

1.2 **Effective Date and Prices.** Specifics on services to be provided and applicable prices are outlined in Appendix 1. The "Effective Date" on which this agreement commences is the date of receipt by codeMantra of payment by Publisher of the initial deposit invoice outlined in Appendix 1.

1.3 **Warranties and Disclaimers.** cM shall perform the Services using qualified personnel and in accordance with industry standards. See Appendix 2 for more detail on conversion service standards.

1.4 **Publisher Warranties; Indemnification.** Publisher warrants (i) that it is the owner of the data provided hereunder or that Publisher is otherwise authorized to permit GPC and cM to perform the Services requested by Publisher hereunder, and (ii) that the performance of the Services hereunder shall not infringe upon the Intellectual Property Rights or other proprietary right of any third party with respect to the data. Publisher agrees to indemnify, defend and hold harmless GPC and cM from Publisher's breach of the foregoing representations and warranties.

1.5 **Support Services.** Help desk support for the System shall be available to Publisher 24 hours, 7 days per week. The required response time shall be one day with respect to requests submitted in the Eastern Standard Time Zone.

2. TERM AND TERMINATION

2.1 **Term.** This Agreement shall continue in force for an initial term of one year from the Effective Date unless terminated earlier under the provisions of this Article 5. The term of this Agreement may be extended upon the mutual written consent of the Parties. Thereafter, the term of this Agreement shall automatically extend for additional one (1) year terms until terminated in accordance with the provisions of this Article 5.

2.2 **Termination for Convenience.** Publisher may terminate this Agreement at any time by giving ninety (90) days' prior written notice to GPC. Any invoices outstanding as of the date of termination will be payable.

2.3 **Termination for Cause.** In the event of any material breach of this Agreement, Publisher may terminate this Agreement by giving thirty (30) days' prior written notice to GPC; provided, however, that this Agreement shall not terminate if GPC has cured the breach prior to the expiration of such thirty (30) day period.

2.4 **Return of Materials.** In the event of termination of this Agreement for any reason, and upon receipt of payment in full of any outstanding invoices, GPC shall deliver to Publisher all of Publisher's Digital Assets via ftp within 30 days of termination notice or payment receipt, whichever is later.

3. CONFIDENTIALITY

3.1 **Publisher's Confidential Information.** GPC agrees to observe confidentiality with respect to the Confidential Information of Publisher provided to GPC hereunder (the "Publisher Confidential Information"); not to disclose, or permit any third party or entity access to, the Publisher Confidential Information (or any portion thereof) without prior written permission of Publisher (except such disclosure or access which is required to perform any obligations under this Agreement); and to insure that any employees, or any third parties who receive access to the Publisher Confidential Information, are advised of the confidential and proprietary nature thereof and are prohibited from copying, utilizing or otherwise revealing the Publisher Confidential Information. Without limiting the foregoing, GPC agrees to employ with regard to the Publisher Confidential Information procedures no less restrictive than the strictest procedures used by it to protect its own confidential and proprietary information. GPC may disclose Publisher Confidential Information to the extent required pursuant to any judicial or governmental order, provided that GPC gives Publisher sufficient prior notice to contest such order.

4. LIMITATION OF LIABILITY

4.1 Except for claims relating to infringement of intellectual property rights, in no event shall either party be liable for any lost or anticipated profits, or any special, consequential, incidental or indirect damages, however caused, on any theory of liability, and whether or not such party has been advised of the possibility of such damages. These limitations are independent of each other and any limited remedy and shall apply notwithstanding any failure of essential purpose of any limited remedy.

4.2 Each party's liability for damages arising out of this agreement, whether arising in contract, tort (including negligence and strict liability), breach of warranty or any other legal theory, shall be limited to the amount paid by publisher to Gibson hereunder for the services. The foregoing limitations do not apply to claims relating to the infringement of intellectual property rights.

5. GENERAL PROVISIONS

5.1 **Independent Contractors.** The relationship of GPC and Publisher established by this Agreement is that of independent contractors, and nothing contained in this Agreement shall be construed to (i) give either Party the power to direct and control the day-to-day activities of the other, (ii) constitute the Parties as partners, joint venturers, co-owners or otherwise as participants in a joint or common undertaking, or (iii) allow Publisher to create or assume any obligation on behalf of GPC for any purpose whatsoever.

5.2 **Governing Law and Dispute Resolution.** This agreement shall be governed by the laws of the Province of Ontario, without reference to conflicts of laws principles. All disputes arising under or related to this Agreement will be adjudicated exclusively in the Province of Ontario, and each party consents to personal jurisdiction and service of process in Ontario in connection with such disputes.

5.3 **Entire Agreement.** This Agreement shall constitute the entire agreement and understanding of the Parties with respect to the subject matter hereof and shall supersede all prior oral or written understandings and agreements with respect to thereto. Except as otherwise provided herein, no modification of or amendment to this Agreement shall be effective unless in writing signed by both Parties, and no waiver of any rights under this Agreement shall be effective unless in writing signed by the Party to be charged.

5.4 **Notices.** All notices and other communications hereunder shall be in writing and shall be deemed effective when delivered by hand or by facsimile transmission, or upon receipt when sent by overnight courier or mailed by registered or certified mail (return receipt requested), postage prepaid, to the Parties at the addresses listed below (or at such other address for a Party as shall be specified by like notice):

IN WITNESS WHEREOF the Parties have entered into this Agreement as of the Effective Date.

codeMantra LLC
600 West Germantown Pike, Suite 400
Plymouth Meeting, PA 19462-1046

Publisher

Anantha P Tirupati (Andy)
President

By:

GPC Publishing Connections

Name:

515 chemin Riverside
Wakefield, QC J0X 3G0

Title:



Robert Gibson
President

Appendix 1

Services and Prices

1. Access to CollectionPoint QuickStart

CPQS is a web-based system designed to give publishers simple tools to upload metadata and source files to a secure ftp site, order and manage digital conversions and then to deliver those files and metadata to distributors. CPQS also includes reporting modules to give publishers records of all transactions involving their files.

Under the CPQS service, codeMantra will

- provide a branded site and secure work area for Publisher
- customize the interface with Publisher logo
- assist Publisher in populating the system with metadata and source files

Pricing

The system is priced for ongoing usage. Prices are based on the number of titles stored and managed by the system. The minimum annual license fee is \$1000, which covers system use and storage of up to 50 titles. Larger starting capacities may be purchased at a reducing price-per-title, as follows:

Titles	Price per Title*	Initial Payment
1-50	\$20	\$1,000.00
51-100	\$18	\$1,800.00
101-200	\$17	\$3,400.00
201-500	\$15	\$7,500.00
501-750	\$14	\$10,500.00
751-1000	\$13	\$13,000.00
Over 1000	\$12	\$15,000.00

This annual per-title price permits the Publisher to submit and store an unlimited number of files and formats for any given ISBN or title. Multiple elements (chapters, corrections, illustrations) may be stored in a title folder. Author videos, promotional material and other title-related files and formats may also be stored at Publisher's option. Price also includes preflight checking for all files.

Additional Charges:

Because distribution activity will vary, these charges are extra. Distribution charges are invoiced monthly upon completion.

Distribution of:		Price
Files	Per asset per channel	\$.75
Metadata	Per asset per channel	\$.25

Invoicing and Renewal

If, during a given year or contract period, Publisher wishes to add titles, additional capacity may be purchased in blocks at the above prices.

At the end of the contract period, if Publisher elects to renew, the renewal invoice rate is set at the price level pertaining to the number of titles stored on the system as of the renewal date, less a credit for any unused capacity that may have been purchased by Publisher in the preceding year.

2. Digital Conversion

Conversion Pricing and Terms

Output Format	Standard Pricing (Volume Discounts Available)		Collection Point or QuickStart Clients	
	Per page	Minimum	Per page	Minimum
All formats	\$1.50	\$ 450	\$ 1.25	\$ 375
XML + epub + uPDF	\$1.25	\$ 375	\$ 1.10	\$ 330
XML + epub + POD	\$1.15	\$ 365	\$ 1.10	\$ 330
XML + epub	\$1.05	\$ 345	\$ 1.00	\$ 300
XML Only	\$0.78	\$ 250	\$ 0.75	\$ 225
epub Only	\$0.58	\$ 165	\$ 0.50	\$ 150
uPDF Only	\$0.28	\$ 85	\$ 0.25	\$ 40
POD Only	\$0.28	\$ 85	\$ 0.25	\$ 40

All prices are quoted in Canadian dollars. These prices apply to conversion from most digital source formats, including PDF, InDesign and Quark.

Surcharge for conversion from print: \$.10/page for destructive scanning and \$.25/page for non-destructive.

Source complexity surcharges: In rare cases where there are multi-columnar tables, intensive equations, math/chemical/computer code content or where byte-intensiveness is over 3.5K per page, cM reserves the right to add a surcharge for complexity of source material. cM will advise publishers of any surcharges before accepting/processing orders in these cases.

Blocking Images: Images or objects in a book which are not owned and not regarded as essential to the content may be omitted from the digital edition. These requests must be made at the time of order, using the Special Instructions field in the online order form.

Process Specifications and Performance Standards

Services rendered under this agreement will be subject to the Process Specifications and Required Performance Standards shown in Appendix 2 subject to additional guarantees provided in this Appendix 1.

For further clarity:

1. XML will be created using codeMantra's PubXML DTD.
2. ePUB will conform to the version of EpubCheck which is current as of the date of the order. Any changes or modifications in the ePUB spec that may be made after the date of the order are not covered. (The current version is 1.05, which can be found at <http://code.google.com/p/epubcheck>.)

Delivery of Source Materials to CM by Publisher

Digital source files for all titles ordered will be placed on the Publisher's CPQS site. Printed books supplied as source files must be delivered at Publisher expense to a Canadian consolidation point. cM will cover further shipping and customs expenses.

Delivery of Converted Files to Publishers and Distributors

Converted files will be lodged on individual Publisher CPQS sites, from which they will be available for download to local systems. The prices shown include delivery of content files and related metadata without further charge to any distributor authorized and set up by Publisher on CPQS at the time of the conversion order. Deliveries ordered subsequent to the conversion order may be subject to a delivery charge. Any distributor-specific versions of converted files (e.g. Amazon epub, Blio PDF) will be named and retained in CPQS.

Invoicing and Payment

Invoices will be based on the price list above and submitted by cM to Publisher on a monthly basis. Invoices are payable upon receipt. Invoices over 60 days old will be subject to a 5%/month financing charge.

Other Conditions

Changes made by Publishers after receipt of order confirmations may be subject to additional charges.

To minimize the effect of accidental loss, Publisher shall maintain copies of all books, files and data provided.

Any queries addressed by CM or its subcontractor to Publisher which require answers or new material before conversion can be completed, and which are not resolved by Publisher within 45 days from the date of the query will be subject to charge at the regular prices, whether or not the work is completed.

Any claims relating to the services performed must be made in writing within 60 days of Publisher's receipt of access to converted files. Failure to lodge a claim shall constitute a waiver of such claims.

Delivery Warranty

Under the following terms, the converted files will be delivered in a manner and format acceptable to the following distributors as part of the conversion service price:

Kobo	Amazon Kindle	Apple
Sony	Google Editions	OverDrive
Barnes and Noble	Blio	

cM will maintain current submission templates and requirements from each of these distributors. Any issues preventing acceptability of the converted files by these distributors will be addressed by cM without further charge to Publishers. This warranty applies only to deliveries ordered concurrently with conversion orders. And it is subject to the obligation of the Publisher to provide by lodging on the CPQS site prior to order placement a full set of metadata in conformance with each distributor's specifications. cM will at an extra charge apply any changes to the final delivery format or specification released by any channel or distributor after the date of conversion.

Claims

cM will resolve without charge any errors claimed by Publisher within 60 days of conversion completion.

Appendix 2

Process Specifications and Performance Standards

Process Specifications

- For XML output, codeMantra shall process the Source Materials in accordance with the the codeMantra PubXML DTD, which is an extended set of DocBook DTD version 5.1. codeMantra shall use an industry standard XML parser in validating the XML output files against the DTD.
- For EPUB output, codeMantra shall adhere to the standard IDPF 2.0 guidelines, including the NCX option for the TOC.
- Specifically, codeMantra shall:
 - Retain section and chapter breaks, bold and italic formatting, and paragraph alignment in the EPUB files.
 - For poetry books, retain the formatting or line breaks of the poems in the EPUB files.
 - Link the footnotes/endnotes, if any.
 - Update the copyright pages to change the print ISBN to the eBook ISBN.
 - Crop the tables and equations into images.
 - Use the printed cover or marketing cover of the printed book as the cover image of the EPUB files.
 - Parse/Validate the EPUB files against EPUB Checker 1.0.5 or the version which is current at the time of conversion.
- codeMantra shall process graphic images, illustrations, graphs, tables, halftones, complex mathematical expressions, and handwritten text with the following image processing specifications:
 - Crop the graphics/non-textual/textual content while maintaining its resolution from the Source Materials.
 - For equations, line art, and charts, capture as PNG. If a photographic image, capture as JPEG format.
 - Capture images at 150 dpi or higher.
- codeMantra shall process various components of the Source Materials with the following processing specifications:
 - Illustrations, images, and photos shall be captured as images.
 - Special/Accented characters shall be captured as UTF-8 characters.
 - Non-Roman or Asian characters shall be captured as UTF-8 characters, with a suitable open-source font embedded if necessary.
 - Tables shall be captured as either text (for simple tables with up to 3 columns on a single page and no merged cells) or image (for complex tables with more than 3 columns) for both XML and EPUB outputs.
 - Mathematical equations shall be captured as either text (for simple equations with characters available on a keyboard) or image (for complex equations with characters that cannot be handled through keyboard characters or entities).

- For PDF output, codeMantra shall adhere to the conditions for use in the major search engines and digital library platforms (Google, EBrary, MyiLibrary in particular) and POD vendors (Lightning Source).
- There shall be no page layouting required for the PDF output.
- For the POD PDF output created from hard copy, codeMantra shall process the Source Materials in accordance to the following imaging specifications:
 - Scan to full-page TIFF at 600 dpi, bitonal (for text layer). [If page contains full text only, this shall be processed as single-layer page.]
 - Crop and scan the grayscale/colored graphics to TIFF at 300 dpi. [If page contains grayscale/colored images along with the text, this shall be processed as multi-layer page.]
 - Insert cropped graphic images to the scanned full-page TIFF.
 - Scan the grayscale/colored book cover to TIFF at 300 dpi, 24-bit.
 - Save as PDF Image only.
- For the POD PDF output created from Quark or InDesign, codeMantra shall process the Source Materials in accordance to the following specifications:
 - Convert Quark to InDesign file to PDF.
 - Append/merge the converted PDF files.
 - Remove crop marks, if any.
 - Retain the image resolution of the PDF file.
 - Save as PDF normal file.
- There shall be no proofreading or editorial composition on the books.
- codeMantra shall deliver processed data to Publisher’s FTP using the directory structure and file naming convention as follows:

Directory Structure

All data shall be delivered in the following directory structure. Deliverables shall be divided into sub-directories for each type of deliverable file.

Print ISBN/	Batch directory
eISBN/xml	XML directory
eISBN/EPUB	EPUB directory
eISBN/PDF	PDF directory
eISBN/POD	POD directory

Filename Convention

codeMantra shall use eISBN as the filename of every file for delivery to Publisher, which, in cases where the same eISBN applies to more than one format, shall be distinguished by its extension and the directory name.

XML file:	eISBN.xml
EPUB file:	eISBN.epub
PDF file:	eISBN.pdf
POD file:	eISBN.pdf

Performance Standards

- codeMantra shall maintain the “data integrity” of the text extracted from the Electronic Source Materials, which shall mean that no errors shall be introduced during processing. Thus, the default accuracy of ninety-nine point nine-nine percent (99.99%) for text/data integrity of text extracted from the Electronic Source Materials shall be applicable.
- For the Print Source Materials, the textual accuracy requirement shall be ninety nine point nine-five percent (99.95%).
- Error count shall be on a per character basis, which shall be defined as the number of characters in error, characters omitted or characters in excess.
- For XML/OEB tagging, accuracy shall be ninety-eight percent (98%). Error count shall be defined as the number of tags in error, tags omitted, or tags in excess; provided, however, that tagging error shall be counted as one error regardless of the number of characters in a tag, and a tag pair error shall be counted as one (1) error.
- The processed data for XML and EPUB shall be one hundred percent (100%) fully-parsed to zero (0) error.