

GENERAL CONDITIONS

of

BlueGlobe International
P.O. Box 7529
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Article 1 - Definitions:

Within these general conditions, the terms as listed below shall have said definitive meaning:

- * BlueGlobe International - hereinafter shall be “BlueGlobe”.
- * Consumer - hereinafter “client”, is a broad label which refers to any individual(s) and/or household(s) using goods and/or services generated within the economy. The BlueGlobe meaning shall be “another party being a real and natural person who is not engaged in the exercise of any language services related trade or profession”.
- * Translation - is the interpreting of the meaning of a text and the subsequent production of an equivalent text, likewise called a “translation”; that communicates the same message in another language. The text to be translated is called the “source text”, and the language it is to be translated into is called the “target language”. At times, the final product is sometimes also called the target text.
- * Editing - is reviewing and/or changing of a document (or material) by making additions, deletions, or other changes to conform to some agreed-upon standard. Editing is commonly done to all documents (or materials) for publication or public presentation.
- * Proofreading - means reading a proof copy of a text in order to detect and correct any errors.
- * Copywriting - is the use of words to promote a person, business, opinion or idea.
- * Localization - the process of translating a product into different languages or adapting a language for a specific country or region.
- * Desktop Publishing (DTP) - combines a personal computer and WYSIWYG page layout software to create publication documents on a computer for either large scale publishing and/or small scale local multi-function peripheral output and distribution.
- * Voice-over - is a production technique whereby a non-diegetic voice is broadcast live or pre-recorded in radio, television, film, theater, and/or presentation.
- * Transcription (linguistics) - the conversion of spoken into written words, or of handwriting or a photograph of text into pure text.
- * Interpreting - is the intellectual activity of facilitating oral and sign-language communication, either simultaneously or consecutively, between two or more users of different languages.

Article 2 - General Conditions Applicability:

These general conditions shall apply to each offer and each contract as enacted between BlueGlobe and a client to whom Blueglobe has declared these general conditions to be applicable to, unless both parties explicitly depart in writing, in full or in part, from these general conditions.

Article 3 - Proposals & Quotes:

- 3.1** The proposals and/or quotes issued by BlueGlobe at all times are free of any obligation.
- 3.2** Unless stated otherwise, prices as stated in a proposal and/or quote does not include value added tax (VAT), or goods and services tax (GST).

Article 4 - Contract Performance:

- 4.1** BlueGlobe contract performance shall be to the best of all resources, knowledge, and ability, in accordance with normal standards of professional practice. Within reason, every attempt shall be made to preserve the original formatting and/or layout of the document/material to be translated.
- 4.2** In the event and to the extent required for proper performance of the contract, BlueGlobe reserves the right to subcontract or delegate certain work to be completed by third parties.
- 4.3** Client hereby expressly warrants, guarantees, and declares that all data, information, documentation, material, etc., as needed and/or required by BlueGlobe to meet the terms of the contract, shall be timely submitted and/or supplied to BlueGlobe. In the event said items are not submitted timely by the client, BlueGlobe reserves the right to suspend the performance of the contract, be paid for work completed, and charge the client at customary rates for any/all extra costs associated with and resulting directly from the client delay(s).
- 4.4** BlueGlobe shall not be liable for damage(s) of any sort resulting from performance and actions based on incorrect and/or incomplete data, information, documentation, material, etc. as furnished by the client. In particular, BlueGlobe shall not be liable for the loss of original formatting and/or layout of the document or material to be translated, unless preservation of the formatting and/or layout has been expressly agreed to in writing upon issuance of the contract.
- 4.5** In the event the contract is to be performed in phases, BlueGlobe reserves the right to suspend a subsequent phase until the client has approved in writing the preceding phase.

Article 5 - Contract Duration - Performance Term:

Unless expressly agreed to in writing, and otherwise, an agreed-upon contract performance term by all parties may not be a final deadline, primarily due to unforeseen events and/or problems encountered during the contract term by both parties. In the event of a contract term being exceeded, the client shall be responsible to give BlueGlobe notice of default in writing.

Article 6 - Contract Amendment(s):

- 6.1** During contract execution, in the event performance requires changes and/or additions to the work

being performed, both parties will be required to timely amend the existing contract accordingly, in writing and by mutual agreement.

- 6.2** In the event said changes and/or additions to the contract may affect the contract completion date, BlueGlobe shall be obligated to inform the client immediately.
- 6.3** In the event said changes and/or additions to the contract results in financial and/or qualitative consequences, BlueGlobe shall inform the client immediately. If a fixed fee has been agreed upon by both parties, BlueGlobe shall notify the client of the extra costs. Upon acceptance by both parties, the contract shall be amended in the form of an “extra-work order” which details the extra work being done, the costs for same, and how payment shall be made.
- 6.4** In regards to paragraph 6.3, BlueGlobe may not charge any additional costs above the contract amount if the change(s) and/or addition(s) is/are the result of circumstances BlueGlobe for which it can be held accountable.

Article 7 - Confidentiality:

Both parties shall at all times respect and observe the secrecy issue and private nature of all confidential information either party shall obtain in the context of contract performance, or from any other source. Information shall be held as confidential when either party informs the other accordingly, or when it is evident from the nature of the information submitted and/or obtained.

Article 8 - Intellectual Property:

- 8.1** Without prejudice to Article 7 provisions regarding confidentiality of these general conditions, BlueGlobe reserves all rights and powers accruing to it as outlined in the Copyrights Act.
- 8.2** All documents provided by BlueGlobe, inclusive of drawings, software, designs, sketches, reports, opinions, studies, etc., are exclusively intended for use solely by the client and shall not be reproduced, made public, or released to third parties without the express written permission of BlueGlobe.
- 8.3** Likewise, BlueGlobe reserves the right to utilize the increased knowledge resulting from contract performance for other purposes, insofar as this does not involve releasing of confidential information to third parties.

Article 9 - Cancellation:

- 9.1** Either party may cancel the contract only in writing. The rules for cancellation shall be per the Uniform Commercial Code - Article 2 - Sales, reference to Section 2-106(4).
- 9.2** In the event of interim contract cancellation as per paragraph 9.1, the client shall owe a part of the compensation, to be determined based on the principle of reasonableness, and in conformity with the Uniform Commercial Code - Article 2.

Article 10 - Contract Termination:

Amounts of money due BlueGlobe by the client are payable immediately in the following instances:

* Any circumstance or knowledge gained by BlueGlobe after the contract terms have been met, which gives merit to fear that the client will not meet its obligations.

* If BlueGlobe requested that the client furnish security for specific performance at the time of entering into the contract, and said security is not provided, and/or is inadequate.

In either/or both cases, BlueGlobe shall be entitled to suspend all further actions in the performance of the contract, and/or terminate the contract, all without prejudice to the right of BlueGlobe to claim damages.

If circumstances were to occur in connection with a person(s) and/or material(s) which BlueGlobe employs or contracts with in performing the contract, the nature of which renders performance of the contract impossible, inconvenient, and/or unreasonably costly, to the point where contract performance can no longer be reasonably expected, then BlueGlobe shall be entitled to terminate the contract.

Article 11 - Defects - Terms for Complaints:

- 11.1** Complaints regarding work performed by BlueGlobe must be reported in writing by the client to BlueGlobe within seven (7) business days of being noticed, but not later than fourteen (14) business days after completion of the work in question.
- 11.2** Should the client, and/or complaintant, refer to the quality of work BlueGlobe performs, said work shall be proofread at the expense of the losing party by a proofreader to be designated solely by BlueGlobe. If the proofreader holds the opinion that the complaint is not justified, the proofreader's costs shall be due and payable by the client. If the proofreader holds the opinion that the complaint is justified, the proofreaders costs shall be due and payable by BlueGlobe.
- 11.3** If a complaint is justified, BlueGlobe will perform the work as agreed, unless completion of said work is meaningless for the client. The client is required to inform BlueGlobe of this immediately. If performing the agreed-upon services is no longer possible or meaningful, BlueGlobe shall be liable within the limits as-set-forth in Article 15 (Liability).
- 11.4** Regardless of whether the client complains within the designated time, it's obligations to pay BlueGlobe for services renders remain in effect.

Article 12 - Fees:

- 12.1** Offers, quotes, and contracts in which BlueGlobe offers a fixed fee and is agreed upon are subject to paragraphs 2, 6, and 7 of these general conditions. If no fixed fee is agreed upon, then paragraphs 3 to 7 of these general conditions apply.
- 12.2** When entering into a contract, both parties may agree on a fixed fee. The fixed fee excludes VAT, GST, and any disbursement expenses and shall be collected by BlueGlobe from the client in addition and above the fixed fee.
- 12.3** If no fixed fee is agree upon by both parties, the fee will be determined as based on actual hours worked at the normal hourly rate of BlueGlobe for the period during which the work was completed,

unless a different hourly rate has been agreed upon by both parties.

- 12.4** Cost estimates, quotes, and proposals, if any, exclude VAT, GST, and any disbursements.
- 12.5** For contracts with performance terms in excess of one month, the costs due will be charged monthly.
- 12.6** Regardless of whether BlueGlobe and the client have agreed to a fixed fee or hourly rate, BlueGlobe reserves the right and is entitled to pass on any increases in the costs of third parties which have been charged to Blueglobe for the performance of the work. Any increase may only be charged the client if the client has been informed of the increase prior to the starting date.
- 12.7** If an increase is in excess of 15%, the client has the right to cancel the contract immediately with written notice to BlueGlobe.

Article 13 - Payment:

- 13.1** Payments shall be made within fifteen (15) days of the invoice date, by means of legal tender delivered to the BlueGlobe International office site in Bend, Oregon. Payments may be made by Western Union money transfer, PayPal, MoneyBookers, or bank wire transfer to a designated BlueGlobe International bank account. Unless other arrangements have been agreed upon by both parties, the client shall be in default eighteen (18) days after the invoice date, a maximum three (3) days grace period is allowed. With this occurrence, a notice of default by BlueGlobe is not required. Upon default, the clients account shall be charged 1.5% simple interest per month, or the statutory maximum interest rate, whichever is higher.
- 13.2** In the extra-ordinary instance of liquidation, bankruptcy, or suspension of client payments, the client's obligation(s) to BlueGlobe shall be payable immediately.
- 13.3** Client payments are always applied first to all outstanding interest due and additional costs (if any), secondly to the longest outstanding payable invoice.
- 13.4** Payment(s) is/are to be made without discount(s) or set-off(s).

Article 14 - Collection Costs:

- 14.1** In the event of client default, and/or breach of contract, the client shall be responsible for all reasonable collections costs as incurred by BlueGlobe. In any event, the client shall owe:
 - on first \$3,000.00 US Dollars 20%
 - on excess to \$5,000.00 US Dollars 18%
 - on excess to \$10,000.00 US Dollars 15%
 - on excess to \$20,000.00 US Dollars 12%
 - on excess to \$50,000.00 US Dollars 10%
 - on excess above \$50,000.00 US Dollars 8%

- 14.2** Should BlueGlobe prove higher costs have been incurred, based on the principle of reason, said expenses shall also qualify for reimbursement by the Client to BlueGlobe.
- 14.3** Unconditionally, the client shall owe BlueGlobe for all legal costs incurred for debt collection, unless the client is able to prove said legal costs are unreasonably high. This rule shall apply only in the event BlueGlobe and the client are involved in litigation on a contract which is subject to these general conditions, and the legal judgment concerned, to which the court rules fully or substantially against the client becomes in force.

Article 15 - Liability:

- 15.1** In no instance shall BlueGlobe be liable for damage(s) and/or loss(es) resulting from delivery choices of finished documents, product, and/or materials to the client. This includes late delivery, non-delivery, and/or a partially or fully destroyed state of being.
- 15.2** BlueGlobe liability shall be strictly limited at all times to the amount of payable fees for completed work, and for projects of a longer duration to that portion of fees due for the previous six months.
- 15.3** Liability limitations as set-forth in these general conditions do not apply if the damages is due to an intentional act or gross negligence on the part of BlueGlobe, or its management.

Article 16 - Force Majeure:

- 16.1** Force majeure shall be interpreted to mean circumstances or unforeseen acts which prevent contract performance compliance, for which BlueGlobe is not responsible for. Said circumstances or acts shall include: strikes by others, wildcat strikes, or political strikes associated with or related to BlueGlobe; a shortage of essential materials of any nature or other goods and services needed or required to meet contract terms; unforeseen problems or work stoppages by BlueGlobe subcontractors or other third parties whom BlueGlobe depends upon; general transport or delivery stoppages or difficulties.
- 16.2** BlueGlobe reserves the right to invoke “force majeure”, should the circumstances or acts prevent present or future contract performance compliance.
- 16.3** For the time period “force majeure” is in effect, all obligations of BlueGlobe are suspended. Should “force majeure” be in effect longer than 90 days, either party is entitled to contract termination without damages obligation.
- 16.4** Upon “force majeure” becoming in force, BlueGlobe is entitled to all prior completed work and shall invoice accordingly. The client shall be obligated to pay this pro-rated amount and same shall be applied to the original and/or adjusted contract amount. However, if the portion of completed work has no value to the client and this fact can be proven, said terms will not apply.

Article 17 - Dispute Resolution:

- 17.1** Notwithstanding legal rules governing jurisdictions of civil courts, and provided the district court has jurisdiction, every dispute between the client and BlueGlobe shall be resolved by the State of Oregon,

Deschutes County District Court. BlueGlobe shall remain entitled to summons the client to appear before the court of jurisdiction under the law or the applicable international treaty.

- 17.2** In the event the client is a consumer, or if four or fewer persons (including the client) are employed in his business or practice, the client has the right for 30 days after BlueGlobe has invoked this provision to opt for dispute resolution by the civil court of jurisdiction under the law.

Article 18 - Applicable Law:

The laws of the United States of America and/or the State of Oregon shall apply to all contracts as issued by BlueGlobe and accepted by the client.

Article 19 - General Conditions Changes:

BlueGlobe shall be entitled to make changes to these general conditions. These changes, if any, will take effect at the announced time of entering into force. BlueGlobe may forward the amended general conditions to the client immediately. In the event changes entering into force have not been announced, they take effect as such time as when the client has been informed of said changes