

AGREEMENT OF UNDERSTANDING

THIS AGREEMENT OF UNDERSTANDING (the "Agreement") is made and entered into this 29th day of January, 2003, by and between Novinity, Inc. ("NOV") and the City of Gahanna ("COG").

STATEMENT OF THE AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Responsibilities of NOV. NOV agrees to be responsible for the creation and production of an approximately 16-page annual report outlined in Attachment I.

2. Responsibilities of COG. COG agrees to provide all necessary, copy, artwork and photographs to NOV at COG's expense.

3. Term. This Agreement shall begin on March 1, 2003, and shall terminate upon completion of project, unless otherwise indicated herein.

4. Compensation. For the services outlined in Attachment I, COG will pay NOV a fee of not more than \$7,500, which will include \$2,000 from the sale of ½ page advertisements, with final compensation being determined by a time-effort report to be delivered to COG by NOV upon completion of the project.

4. Termination. This Agreement may be terminated by either party upon sixty (60) days written notice of termination to the other party. Notice of termination shall be sent in writing and shall be deemed duly given if personally delivered or sent by United States Mail, registered or certified, return receipt requested, postage prepaid to the following persons:

a. If COG is terminating the Agreement, to:

Anthony L. Huey
President
Novinity, Inc.
523 Park Street
Columbus, Ohio 43215

EXHIBIT A

b. If NOV is terminating the Agreement, to:

Jennifer Chrysler
Deputy Director of Development
City of Gahanna
200 South Hamilton Road
Gahanna, Ohio 43230

5. Equal Employment Opportunity. The parties agree that in the performance of work under this Agreement, the parties shall not by reason of race, color, religion, sex, sexual preference, age, handicap, national origin, or ancestry, discriminate against any citizen of this state in the employment of a person qualified and available to perform the work to which the Agreement relates.

6. Compliance with Federal and State Laws, Rules and Regulations. COG and NOV agree to comply with all federal and state laws, rules, regulations, and auditing standards which are applicable to the performance of this Agreement.

7. Confidentiality of Information. The parties agree that they shall not use any information, systems, or records made available to either party for any purpose other than to fulfill the obligations specified herein, unless required by law. The parties agree to be bound by the same standards of confidentiality that apply to the employees of either party and the State of Ohio. The terms of this section shall be included in any subcontracts executed by either party for work under this Agreement.

8. Partial Invalidity. A judicial or administrative finding, order, or decision that any part of this Agreement is illegal or invalid shall not invalidate the remainder of the Agreement.

9. Attachment. The parties agree that the Scope of Services that is Attachment I and attached to this contract shall be a part of this agreement and breach of the responsibilities as outlined in the Scope of Services shall be considered a breach of this agreement.

10. Governing Law. This Agreement shall be governed by the laws of the State of Ohio as to all matters, including but not limited to matters of validity, construction, effect and performance.

11. Entirety of Agreement. This Agreement and its exhibits and any documents referred to herein constitute the complete understanding of the parties and merge and supersede any and all other discussions, agreements and understandings, either oral or written, between the parties with respect to the subject matter hereof.

12. Amendments or Modifications. Either party may at any time during the term of this Agreement request amendments or modifications. Requests for amendment or modification of this Agreement shall be in writing and shall specify the requested changes and the justification of such changes. The parties shall review the request for modification in terms of the regulations

and goals relating to the work contemplated hereunder. Should the parties consent to modification of the Agreement, then an amendment shall be drawn, approved, and executed in the same manner as the original agreement.

13. Headings. Section headings contained in this Agreement are inserted for convenience only and shall not be deemed to be a part of this Agreement.

14. Indemnification. While it is understood that NOV will take all prudent care possible in the development of material to be issued, NOV cannot undertake to verify facts supplied to it by COG and COG therefore indemnifies Novinity for any damages, costs or expenses arising out of the release of such information.

IN WITNESS WHEREOF, the parties have executed this Agreement of Understanding, effective as of the day and year first above written.

NOV:

COG:

Novinity, Inc.

City of Gahanna

By:



By:

Anthony L. Huey
President

Date: January 29, 2003

Date: _____

By: _____

Mayor

Date: _____

Attachment I

Part II — Scope of Services

Annual Report — Magazine-Style

Project Overview

A magazine-style annual report offers the City of Gahanna the opportunity to showcase all the City has to offer its residents, businesses, prospective businesses, community organizations. This format allows the City to accomplish several unique objectives, including:

- Offering sponsorship/partnership opportunities through advertisements in the piece. This could be used to either offset design and printing costs, or as a “thank you” to favored entities.
- Providing more information and photos than traditional annual reports
- Serving as a collectors piece that recipients would want to keep for posterity, or as a source of important information.

This type of piece would certainly be applicable as a five-year wrap-up of the City's accomplishments, etc.

Project Specifications

- 16-page self cover, 8.5 x 11 trim size, 80# white gloss text, 4-color process, flood varnish

Part II — Scope of Services include:

- Art Direction
- Layout
- Production
- Proofs
- Print Coordination