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AGREEMENT

Agreement made this 24 day of July 1999, between The Running Enclave, Inc. having business at P.O. Box 10457 and Michal Siemaszko, an individual, residing at 373 68th Street, Apt #3, Brooklyn, NY 11220.

BULKE VA. 22009-0457

Dan Ireland
6029 BONNIE BEAN CT.
BULKE, VA. 22015

1. Recitals

The Running Enclave, Inc. desires to retain Michal Siemaszko to provide complete design, development, setup and hosting services for its web site (www.runningenclave.com), and Michal Siemaszko agrees to provide and perform such services to meet The Running Enclave's requirements.

2. Agreement

It is hereby agreed that The Running Enclave, Inc. does retain and employ Michal Siemaszko, and Michal Siemaszko agrees to accept such employment, to act for and represent in all design, development, setup and hosting matters involved in this project. Such contract is subject to the following terms, conditions, and stipulations.

3. Conditions of Agreement

The scope and work of this project shall include:

Phase A

- transfer the www.runningenclave.com domain and all the files that constitute its temporary web presence onto Kaos Aeon's server
- setup a hosting account with the following features:
 - 200 MBs of space
 - 20 email accounts
 - private and anonymous FTP
 - secure server
 - shopping cart
 - real-time credit card processing capability
 - CGI-BIN
 - database
 - java chat
 - account control panel
 - web-based file editor/manager
 - Microsoft Frontpage extensions
 - streaming RealAudio / RealVideo over HTTP
 - detailed daily statistics
 - unlimited email aliasing



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Phase B

Design

- design and develop graphical interface

Development

- develop web application to allow for interactive coaching and storage of client/visitor information
- develop registration system
- set up and customize e-commerce system
- integrate real-time credit card processing with the e-commerce system

Promotion

- create an animated ad banner
- submit information about the www.runningenclave.com site to search engines and web indexes

4. Plans and Specifications

Michal Siemaszko shall prepare such detailed plans and specifications as are reasonably necessary and desirable for the design, integration, and implementation of this project.

5. Timetable

Michal Siemaszko shall diligently start and perform the required services for The Running Enclave, Inc. and complete the plans and specifications of this project six weeks from the date of agreement on interface design for the site, provided that all required fees had been paid and third-party licenses/certificates purchased.

6. Compensation

The Running Enclave, Inc. shall compensate Michal Siemaszko \$ 4,600, in consideration of the services performed herein by Michal Siemaszko. A 50% (\$2,300) is due upon the signature of this contract and the balance (\$2,300) due at the completion of Phase B.



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7. Additional Services and Fees

For the Phase B to be fully completed, in addition to setting up a web hosting account, third-party licenses / certificates will need to be purchased by The Running Enclave, Inc. Michal Siemaszko will provide assistance and handle the application process/setup for those, however, these fees are not included in the \$4,600 price for the project. The additional charges will be as follows:

<i>Web hosting account</i>	<i>\$50 per month + \$50 setup fee</i>
<i>Secure Key Certificate from Thawte</i>	<i>\$125* + \$25 key set fee</i>
<i>Real-Time payment processing with Authorize.net</i>	<i>unknown**</i>

* Current price for this type of certificate

** Price depends on several variables unknown at the present time: whether merchant account with a bank had been established so far or a new account has to be opened, and which company The Running Enclave, Inc. will choose for their provider of Authorize.net's real-time payment processing services.

8. Service Not Included

If, after plans and specifications are completed and approved by The Running Enclave, Inc., Michal Siemaszko is required to change plans, designs or specifications because of the changes by The Running Enclave, Inc., Michal Siemaszko shall receive an additional fee for such changes, however any proposal change shall be pre-approved by The Running Enclave, Inc.

9. Copyrights, Etc.

All designs, design data, specifications, notebooks, technical data, recommendations relating thereto as well as all copies of the forgoing, relating to the work performed under this Agreement remains property of Michal Siemaszko, however The Running Enclave, Inc. shall have the continuing and unconditional license to use, maintain and revise the system for its own day-to-day operation. All content in the system shall be the exclusive property of The Running Enclave, Inc.

10. Interpretation of Contract

- a) This Agreement constitutes the entire agreement about understanding between the parties and supercedes any and all other agreements between the parties.
- b) This Agreement may not be changed except in writing, signed by Michal Siemaszko and The Running Enclave, Inc.



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11. Miscellaneous

- a) The parties agree and intend that all questions concerning this Agreement, including the validity, capacity of parties, effect interpretation and performance, shall be governed by the State of New York.
- b) The rights privileges and obligations of both Michal Siemaszko and The Running Enclave to each other shall be limited to those specifically set forth within.
- c) This Agreement and the terms, conditions and obligations herein contained shall be binding upon the parties hereto, their assigns, transferees, and legal representatives.
- d) This Agreement constitutes the complete Agreement, between Michal Siemaszko and The Running Enclave, Inc. No representation or promise, either oral or written, has been made except as specifically set forth within.

IN WITNESS THEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

The Running Enclave, Inc.

Michal Siemaszko

Signature:

Frank Gagliano

Signature: _____

Printed:

FRANK GAGLIANO

Printed: _____

Title:

PRESIDENT

Title: _____

Date:

7/24/99

Date: _____

10107 COMMONWEALTH Blvd.
FAIRFAX, VA. 22032

*** TX REPORT ***

TRANSMISSION OK

TX/RX NO	3501	
CONNECTION TEL		17039136238
SUBADDRESS		
CONNECTION ID		
ST. TIME	07/22 13:31	
USAGE T	02'59	
PGS.	5	
RESULT	OK	

Date: Thursday, July 22, 1999
To: Dan Ireland
Company: The Running Enclave, Inc.
Fax Number: 703-913-6238
From: Michal Siemaszko
Subject: Agreement

Total number of pages (including cover): 5