

Master Agreement

The undersigned ("Affiliate"), by submitting the Affiliate Application and this Affiliate Advertising Agreement (collectively "Agreement") to Calliope ("Merchant"), acknowledges that it wishes to become an Affiliate, and in consideration of Merchant's approving Affiliate's Application, agrees to be bound by the terms and conditions of this Agreement. Affiliate warrants that all information provided in the Affiliate Application is true and accurate. Affiliate understands that Merchant has sole discretion over whether to accept or reject Affiliate's Application, and that this Agreement will not be binding unless Affiliate has been notified of such acceptance.

Recitals

A. Affiliate is the operator and owner of the Internet Web site(s), emails, other segments or spaces on such Web site(s) and Web-based services described in the Affiliate Application (individually a "Distribution Medium").

B. Merchant posts offers on Merchant's website to various entities (other advertisers) to place performance-based advertising offers in the form of banners, textual links, transactional ads or other relevant media with respect to Merchant's products and services ("Products").

1. Term

Either party reserves the right to terminate this Agreement at any time, for any reason, upon notice to the other party. Merchant may terminate via e-mail or via Merchant's Web site. Merchant may immediately terminate this Agreement without notice if Affiliate is in breach of any representation, warranty or covenant in this Agreement or any other agreement to which Affiliate and Merchant are a party. Affiliate may terminate this Agreement upon thirty (30) days written notice to Merchant. The rights and obligations contained in Sections 3, 5, 6, 7, 8 and General Provisions of this Agreement shall survive the termination or expiration of this Agreement.

2. Acceptance

(a) Affiliate at its discretion, and upon approval by Merchant, shall determine which Offers it will display through its Distribution Media. Any Offer displayed by Affiliate shall be displayed on the terms and conditions set forth in this Agreement. In the event that Merchant believes that the display, or continued display, of an Offer may subject either party to potential liability, Affiliate shall, upon written notice from Merchant, immediately remove the Offer from its Distribution Media. Affiliate shall not alter or modify the Offer as provided by Merchant.

3. Payment For Services

(a) Merchant agrees to remit to Affiliate an Advertising Fee ("Advertising Fees") payable in the amounts and on the terms as set forth in this Agreement for all Offers placed with Affiliate which result in the sale of Products or other specified action from Merchant's Web Site via hyperlinks from Affiliate's Distribution Medium.

(b) As used in this Agreement:

(i) "Monthly Sales" means the dollar amount actually billed by Merchant for Products sold to a Qualified Customer (as defined below) during a calendar month. Monthly Sales are calculated exclusive of fraudulently placed orders, returned orders, shipping charges, taxes, discounts or rebates actually granted by Merchant.

(ii) A "Qualified Customer" means any individual or entity that is tracked by Merchant's proprietary technology, and who (a) purchases Products from Merchant's Site within the period of time as set forth in this Agreement of clicking through to Merchant's Site via Qualifying Link (as defined below) from Affiliate or (b) completes and submits to Merchant all information

required by Merchant's registration form within the period of time as set forth by terms in this Agreement regarding clicking through to the Merchant's Site via hyperlinks from Affiliate. A person or entity that supplies information previously known or possessed by Merchant is not a Qualified Customer.

(iii) A "Qualifying Link" " is a link from Affiliate's site to Merchant's Site using one of the Required URLs or any other URL provided by Merchant if it is the last link to the Merchant's site that the Customer uses during a Session where a sale of a Product to Customer occurs. A "Session" is the period of time beginning from a Customer's initial contact with Merchant's site via a link from the Affiliate's site and terminating when the Customer either returns to the Merchant's site via a link from a site other than Affiliate's site or this Agreement expires or is terminated.

(c) In the event an individual or entity visited more than one Affiliate of Merchant prior to purchasing Products from or undertaking some other specified action on a Merchant's Web site, the Affiliate operating the last Distribution Medium that such individual or entity clicked through to the Merchant's Web site shall be the only party entitled to receive an Advertising Fee for the Products sold.

(d) Merchant shall have the sole right and responsibility for processing all orders made by Customers. Affiliate acknowledges that all agreements relating to sales to Customers shall be between Merchant and the Customer. Prices for Products will be set solely by Merchant in its discretion.

(d) Merchant shall pay Advertising Fees to Affiliate within thirty (30) days after the end of the month in which the aggregate amount of Advertising Fees due to Affiliate equals or exceeds fifty dollars (\$50.00). Any earned but unpaid Advertising Fees shall carry over to the next regularly scheduled payment period.

(e) Merchant will only remit payment to Affiliate if Affiliate has been accepted by Merchant as an Affiliate and has provided Merchant with a correct mailing address. (Merchant may also require a tax identification number, W-9 form).

(f) Regardless of the timing of any payment made by Merchant to Affiliate hereunder, Merchant shall be authorized to chargeback any Fee paid to Affiliate that specifically relates to (i) Products returned by Qualified Customers within sixty (60) days from the date of purchase; (ii) refunds or credits issued to Qualified Customers within ninety (60) days from the date of purchase; or (iii) overpayments to Affiliate, duplicate entries or other clear bona-fide errors. Merchant shall deduct the amount of the chargeback from and offset such amounts against any monies owed by Merchant to Affiliate. In the event that Merchant has not fully recouped, via offset, any chargeback within sixty (60) days from the date of the chargeback, Affiliate shall issue payment to Merchant for the outstanding amount of the chargeback.

(g) Amounts credited to Affiliate's account will not bear interest.

4. Merchant Responsibilities

Merchant covenants and agrees to use its commercially reasonable best efforts to provide Affiliate with product descriptions, GIF or JPEG Images. All such records shall be the sole property of Merchant.

5. Affiliate Responsibilities

(a) Affiliate covenants and agrees that it shall: (1) to continue to operate and maintain the Distribution Media (including any Web pages where any Offer appears) in a manner consistent with the intent and purpose of the Distribution Medium; (2) to place Offers on Affiliate's

Distribution Medium and (including Web pages where any Offer appears) in accordance with the terms set forth in this Agreement and in accordance; (3) to maintain its customer list in a manner that conforms with best practices of privacy policies; (4) to position the Offers on each Distribution Medium (including any Web page where any Offer appears) in such a manner to assure that the Offers are fully and clearly visible to consumers and displayed in a similar manner as other marketers included in the Distribution Medium; (e) not alter, change substitute or modify the content or appearance to any end user of any web-site not included within the Distribution Media; (5) not use any information or content from any web-page not included within the Distribution Media in order to refer a Qualified Customer to a Marketer Site; (6) not obstruct access to any web-site not included within the Distribution Media; and (7) not bundle downloadable shopping software applications with other applications, whereby the installation and de-installation is not obvious, easy or complete. Licensing and terms of all software downloads and applications of any type must be clearly presented to and accepted by the end-user and de-installation must be obvious, easy and complete.

(b) Affiliate agrees and warrants that it will comply with all local, state and federal laws (including, but not limited to, the "CAN-SPAM" Act, effective January 1, 2004) regarding the sending of e-mails and not send, transmit and/or distribute any Offer (as defined in the Agreement) via e-mail unless the intended recipient of the email has "opted in" to receive such Offer and such e-mail is not deemed "SPAM e-mail" (as defined below). An e-mail shall be deemed to be "SPAM e-mail" if such e-mail satisfies any one or more of the following criteria: (1) the e-mail fails to identify the Affiliate as the sender of the e-mail; (2) the e-mail contains a falsified sender domain name or non-responsive IP address; (3) the e-mail contains or includes a false or misleading subject line that attempts to disguise or conceal the content of the e-mail; (4) the e-mail fails to notify the recipient that he or she may unsubscribe or "opt out" from further e-mail solicitations from the Affiliate; and (5) the e-mail fails to contain or include a valid return e-mail address or other internet based mechanism whereby recipients can unsubscribe or "opt out" from receiving further e-mail solicitations from the Affiliate. Such return e-mail address or other internet based mechanism shall remain valid for no less than thirty (30) days from the date of transmission of the e-mail and the Distribution Affiliate shall implement all requests to unsubscribe or "opt out" within ten (10) days of receipt of such request; (6) the e-mail fails to contain or include a valid physical postal address for the Affiliate (which shall not include a P.O. Box address); (7) the e-mail is sent to an individual who was not provided with an accurate, clear and conspicuous description of the marketing purposes for which his or her e-mail address may be used at the time such e-mail address was provided by the individual; (8) the e-mail fails to provide clear and conspicuous notice that the message is an advertisement or solicitation; (9) the e-mail is sent for the purpose (but not necessarily the sole purpose) of harvesting the e-mail addresses in order to send future unsolicited e-mails; (10) the e-mail is sent unsolicited to a recipient that does not have a prior business or personal relationship with Distribution Affiliate; or (11) the e-mail contains nudity, profanity, sexually oriented materials, hate speech, or other obscene content.

(d) Merchant will notify Affiliate of any complaint regarding their e-mail practices or any alleged violation of the above warranties. Within forty-eight (48) hours of notification, Affiliate must respond to Merchant and provide source information as to any questionable e-mails including, but not limited to, the time, date, IP address and content of the questionable e-mails along with the applicable "opt-in" information (e.g. time, date and IP address of opt-in source) of the recipient. If the Affiliate fails to provide source information satisfactory to Merchant to demonstrate that (1) the recipient "opted in" to receive such e-mail and (2) the Affiliate did not send SPAM e-mail or otherwise breach the above warranties, then Merchant has the right to immediately suspend payment to and further performance of any services by the Affiliate.

6. Indemnification; Limitation of Liability

(a) Affiliate agrees to indemnify, defend and hold harmless Merchant (and its respective officers, directors, employees, shareholders and agents) from and against any and all liability,

claims, losses, damages, injuries or expenses (including reasonable attorneys' fees) directly or indirectly arising from or relating to (i) any breach of this Agreement by Affiliate or (ii) the operation and content of the Distribution Media.

(b) Merchant agrees to indemnify, defend and hold harmless Affiliate (and its respective officers, directors, employees, shareholders and agents) from and against any and all liability claims, losses, damages, injuries or expenses (including reasonable attorneys' fees) directly or indirectly arising from or relating to any breach of this Agreement by Merchant.

(c) Neither Affiliate nor Merchant shall be liable to one another for any special, consequential (even if a party has been informed of the possibility of such damages), incidental, punitive or indirect damages, losses, costs or expenses of any kind arising out of this Agreement or its termination, however caused, and whether based in contract, tort (including negligence), products liability or any other theory of liability regardless of whether such party has been advised of the possibility of such damages, losses, costs or expenses. Neither Affiliate nor Merchant shall be liable to one another for lost or imputed profits arising out of this Agreement or its termination. Each party hereto waives any claims that these exclusions deprive such party of an adequate remedy. Except for liabilities resulting from Merchant's willful misconduct or recklessness, the liability of Merchant shall not exceed the total amount of the Advertising Fees actually paid by Merchant to Affiliate under this Agreement. Affiliate shall not be liable (i) for any errors or omissions included in the Offers received from Merchant or (ii) in the event that Affiliate encounters technical or other difficulties that may occasionally hinder the operation of the Distribution Medium. Merchant shall not be liable to Affiliate or any other person or entity for (i) system downtime of Merchant; (ii) unauthorized access to, or alteration, theft or destruction of Affiliate's Distribution Medium, data files or systems or programs through accident, fraudulent means or device; or (iii) any claim attributable to errors, omissions or other inaccuracies in the Offers.

7. Confidentiality

In connection with the business relationship contemplated by this Agreement, each party may receive or have access to commercially valuable technical and non-technical confidential or proprietary information of the other party, including information in whatever form, relating to the business of such party that is not generally known or available to others, including source code and documentation for software, trade secrets, know how, customer lists, pricing strategies, marketing and business plans, information concerning a party's vendors, and such party's contemplated plans, strategies and prospects ("Confidential Information"). Each party acknowledges and agrees that any Confidential Information received or obtained from the other party will be the sole and exclusive property of the other party and may not be used, disseminated or disclosed except as may be necessary to perform the obligations required under this Agreement or as may be required by law. If disclosure is required by law, the party required to disclose Confidential Information shall reasonably cooperate with the other party (at the other party's request and expense) so that the other party may preserve the confidentiality of the Confidential Information to the extent reasonably possible.

8. Trademarks and Proprietary Rights

(a) Merchant grants Affiliate a limited, non-exclusive, non-transferable, revocable license to use, reproduce and distribute the Offers in accordance with the terms of this Agreement. Merchant specifically does not grant Affiliate any right to use any Merchant trade name without the express written consent of Merchant. Merchant grants Affiliate a limited, non-exclusive, non-transferable license for the term of this Agreement to use the Merchant's Technology solely in accordance with the terms of this Agreement. Affiliate grants Merchant a limited, non-exclusive, non-transferable, revocable license to use, reproduce and distribute its company

name and logo for use in Merchant's promotional materials. Each license granted in this Section 8(a) is hereinafter referred to individually as "Licensed Property."

(b) Neither party shall use the other party's Licensed Property in a manner that disparages the other party or its products or services, blurs, dilutes or otherwise diminishes the other party's tradenames, trademarks, servicemarks or other intellectual property, or portrays the other party or its products or services in a false, competitively adverse or poor light. Each party shall comply with the other party's requests as to the use of the other party's Licensed Property and will avoid any action that diminishes the value of such marks. Without limiting the foregoing, Affiliate shall not, without written permission from Merchant, (i) use any of Merchant's brand names, keywords or derivations of either of the above for any purpose; or (ii) purchase any URL containing any of Merchant's brand names, keywords or derivations of either of the above.

(c) Subject to the limited licenses granted to Merchant and Affiliate under Section 8(a), each party owns and shall retain all right, title and interest in its tradenames, logos, trademarks, service marks, trade dress, Internet domain names, copyrights, patents, trade secrets, know how and proprietary technology, including, without limitation, those trade names, logos, trademarks, service marks, trade dress, copyrights, patents, testimonials, endorsements, know how, trade secrets and proprietary technology currently used or which may be developed and/or used by it in the future ("Intellectual Property"). Except as provided in this Agreement, neither party may distribute, sell, reproduce, publish, display, perform, prepare derivative works or otherwise use any of the Intellectual Property of the other party without the express written consent of such party. All data that is collected by Merchant while performing its obligations under this Agreement is the property of Merchant. Merchant currently uses and plans to continue to use data that it collects in an aggregate manner (i.e. that information which is gathered as a group of demographic data, and is not personally or company identifiable).

General Provisions

1. Representations and Warranties. Each party represents and warrants to the other party that: (i) such party has all necessary right, power and authority to enter into this Agreement and to perform its obligations under this Agreement; and (ii) nothing contained in this Agreement or required by such party's performance hereunder will place such party in breach of any other contract or agreement to which it is bound or violate any applicable law, including obscenity, privacy and defamation laws and (iii) the performance of this Agreement shall not infringe or violate upon the Intellectual Property or privacy rights of any third party. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION 9(A), NEITHER Merchant NOR AFFILIATE MAKE, AND EACH SPECIFICALLY DISCLAIM ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, REGARDING THE DISTRIBUTION MEDIUM, PRODUCTS AND SERVICES CONTEMPLATED BY THIS AGREEMENT, AND NON-INFRINGEMENT.

2. Privacy. Throughout the Term of this Agreement, both parties agree to adhere to fair information collection practices with respect to the receipt or provision of the Services. During the term of this Agreement, Affiliate shall use reasonable commercial efforts in accordance with accepted industry standards to ensure that the Distribution Media will (i) feature an easy to understand privacy policy that can be directly linked to from the Distribution Media that identifies the nature and scope of Affiliate's collection and use of information gathered by Affiliate and (ii) offer the user an opportunity to opt out from such collection and use of the data. The following language is recommended: "We may use third-party companies, such as CalliopeBoutique.com, to serve or track ads on our web site. These companies may use information (not including your name, address, email address or telephone number) about your visits to this and other web sites in order to measure advertising effectiveness and to provide

advertisements about goods and services that may be of interest to you." To find out more about the use of cookies and the information-gathering practices and opt-out procedures of Merchant, please refer to <http://www.calliopeboutique.com/pages-faqs.asp#privacy>. Affiliate agrees never to alter any Merchant tags so as to include any personally identifiable or sensitive information of any visitors in such tags.

3. Jurisdiction and Governing Law. Affiliate consents to the exclusive personal jurisdiction of the state and federal courts located in Virginia and agrees that any claim against Merchant shall be brought in the state or federal courts located in City of Alexandria, Virginia. The rights and obligations of the parties under this Agreement shall be governed by and construed under the laws of the State of Virginia without reference to conflict of laws principles. Affiliate consents to the personal jurisdiction of the state and federal courts located in City of Alexandria, Virginia, and agrees that any lawsuit between Affiliate and Merchant shall be filed in this venue.

4. Force Majeure. Neither party shall be deemed in default of this Agreement to the extent that performance of its obligations or attempts to cure any breach are delayed or prevented by reason of any act of God, fire, natural disaster, accident, riots, acts of government, shortage of materials or supplies, or any other cause beyond the reasonable control of such party; provided, that the party whose performance is affected by any such event gives the other party written notice thereof within three (3) business days of such event or occurrence.

5. Relationship. The relationship of Merchant and Affiliate established by this Agreement is that of independent contractors, and neither party is an employee, agent, partner or joint venture of the other. The detailed operations of Merchant under this Agreement are subject to the sole control and management of Merchant. The parties acknowledge that, except as set forth in Section 5 hereto, this Agreement sets forth a non-exclusive relationship between the parties.

6. Notice. Any notice, communication or statement relating to this Agreement shall be in writing and deemed effective: (i) upon delivery when delivered in person; (ii) upon transmission when delivered by verified facsimile transmission; or (iii) when delivered by registered or certified mail, postage prepaid, return receipt requested or by nationally-recognized courier service to the address of the respective parties as follows. To Merchant at the address listed on this Agreement; to Affiliate at the address set forth in the Affiliate Application.

7. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

8. Amendments and Waivers. The failure of either party to insist upon or enforce strict performance by the other or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment to any extent of such party's right to assert or rely upon any such provision or right in that or any other instance, and the same shall be and remain in full force and effect. Merchant reserves the right to modify this Agreement at any time. Any such modification shall be immediately effective upon the posting of the modified Agreement upon the Merchant's Web Site, or any successor Web site.

9. Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and merges all prior discussions and writings between them with respect to the contents of this Agreement. If any provision (or part thereof) of this Agreement is determined by a court of competent jurisdiction as part of a final non-appealable ruling, government action or binding arbitration, to be invalid, illegal, or otherwise unenforceable, such provision shall be enforced as nearly as possible in accordance with the stated intention of the parties, while the remainder of this Agreement shall remain in full force and effect and bind the parties according to its terms.

The individual clicking on this link and submitting this application certifies that she/he is authorized to act on behalf of Affiliate and that she/he, on behalf of Affiliate, has read and accepted the terms, conditions and disclosures associated with this Agreement.

Other Terms

1. Merchant will notify Affiliate of acceptance via email within 10 days of Affiliate submission of Affiliate Application.
2. Affiliate will place creative links on its site within 30 days of acceptance.
3. Affiliate will actively participate in the program (e.g. update links, banners, etc. in a timely manner when requested by Merchant).
4. Merchant will pay Affiliate via PayPal™ or check an Advertising Fee of 10.00% of monthly sales.

Calliope (CalliopeBoutique.com)
p.o. box 3253, Alexandria VA 22302