

[letterhead]

July 21, 0000

Ms Sally Client
Director of Marketing
The Wagging Tail Dog Care Centres, Inc.
88 Fido Circle
Any City, XX, 12345

Dear Sally:

It was a pleasure meeting again with you and your staff last Thursday.

Ever since our presentation last Spring, I have been waiting to hear the good news that The Wagging Tail has secured venture funding. Congratulations!

We are excited about the opportunity JustDail! Design can play in making The Wagging Tail a local success initially, and a national franchising success ultimately.

In the Thursday meeting we discussed your need to have a Web site up and running a week before the first location opens. This will be approximately a month after the first lease is signed, which you indicated could be as early as next week. As you will see on page 3 of the attached proposal, it will take us approximately six weeks to build your site, so this should be no problem. In fact, most of the work in Phase 1 and 2 of site development can be started before your locations are known. So we can start at your earliest convenience.

The first page of the following proposal summarizes the information we received at the meeting regarding The Wagging Tail's market niche (Project Background), Target Market Individuals, and Web Site Objectives. Please review this material carefully for our accuracy in interpretation as it is the basis for the way we will approach developing your site.

After the meeting, our staff met to rough out a preliminary approach. Our initial thoughts are presented on page 2 in the proposal sections Site Style and Appearance, Site Features, and Site References. Here, too, check to make sure that we are on the right track at this early stage.

JustDail!'s Development Process on page 3 will provide a rough guide to various project functions and stages. It also provides cost estimates based on the information pro-vided so far. The range reflects the fact that some site features have yet to be deter-mined. Other factors that can effect the final cost are explained in Estimate Options and Additions on page 4.

More > > >

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More > > >

Confidential

Web Site Proposal For The Wagging Tail Dog Care Centres

Project Background

The number of dogs in urban areas continues to grow, especially among young professionals. While these individuals desire the love and companionship of man's best friend, they often lack the time or accessibility to space required to provide proper exercise, care, and grooming. Many dogs spend all day sleeping and get only an inadequate walk on city streets in the evening.

The Wagging Tail Dog Care Centres, Inc. (TWT) is a new corporation founded to provide owners with attractive and affordable short-term daycare, including occasional boarding when their owners travel. It will offer the dog equivalent of child daycare for urban professionals—a safe, healthy, educational, and socializing atmosphere in which dogs can spend the day.

Three initial company-owned locations are planned in the metropolitan area—MetroNorth, MetroSouth, and MetroCentral.

Locations in other markets will be considered on a franchise basis later.

Target Market Individuals (from meeting of July 14th)

- Single or married males, 25 to 40 without children (primary)
- Single or married females 25 to 40 without children (secondary).
- Care as much about their dogs as parents do about their children.
- Often feel guilty, conflicted between career and pet needs.
- Reside in multi-unit buildings in densely populated areas.
- Cost is not a major factor, but must not appear excessive.
- Convenience, including pickup, is crucial factor in appealing to them.

Web Site Objectives (from meeting of July 14th)

- Promote that TWT is a new concept focused around customer ease and convenience.
- Show loving care, happy pets, appreciative owners.
- Create awareness in the "non-kennel" home-like atmosphere.
- Indicate availability of veterinarian care when needed.
- Show each of the three locations and facilities and list its staff biographies.
- Provide employment information for each location.
- Solicit interest among possible franchisees.
- Make sure the creative approach is also applicable to later printed material.

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Proposal to The Wagging Tail Dog Care Centres

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Site Style and Appearance

- Warm, friendly, and comfortable—like one dog owner talking to another.
- Urban male style/color palette but with recognition that many viewers will be female.
- Inviting, non-serious, humorous—quip of day, cartoons, and animation are all appropriate.
- Easy accessibility—fast, well organized, navigation ease, no need for special plug ins.
- Must also appear professional, trustworthy, stable.

Site Features

- 15 to 20 pages as appropriate.
- To be built using up to five different, original page templates.
- One quarter of pages (25%) devoted to each of the three locations' facilities and staff.
- On-line registration to accommodate complete owner and dog data, including services requested.
- Registration data to be automatically entered into TWT FileMaker Pro database. (Automatic updating by customers will not be available initially, but may later.)
- E-commerce gateway to allow charging registration fees to MasterCard, VISA, American Express, or Discover. (Back-end arrangements to be handled by TWT.)
- Routine maintenance possible by TWT in-house staff using GoLive.
- JustDail! Design will be available to help with non-routine maintenance.
- Site hosting to be determined by TWT prior to first location opening.

Site References

It is helpful when developing a new site to look at what competitors and others have done. Although there are no direct competitors, and the site we develop will be stylistically and operationally unique, the following have some of the features and style we believe should be in the TWT site.

www.aaaaa.com—has the humorous, yet professional approach we feel is suitable. www.aaaaa.com—has the ease of navigation and use we feel works particularly well.

Other sites we like, and the reasons why are:

www.aaaaa.com—has online registration for services similar TWT's needs. www.aaaaa.com—its treatment of facilities and staff biographies is very informative. www.bbb.com—it is a professional services site that uses a novel approach to humor. www.cccc.com—it shows franchise potential and opportunities well.

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JustDail's Development Process

Phase 1—*Orientation and development of strategic concept (approximately two weeks).*

- Confirm and refine objectives with TWT marketing staff.
- Confirm and refine target market with TWT marketing staff.
- Establish success criteria with TWT marketing staff.
- Establish preliminary site and page hierarchy.
- Develop three strategies/concepts.
- Develop one or more graphic options for each strategy/concept.
- Present options for evaluation (color prints & electronic files) to Sally Client.

Estimate \$13,000

Phase 2—*Concept approval and initial development (approximately two weeks).*

- Sally Client to select concept for refinement.
- Incorporation of feedback and revisions.
- Create site breakdown—site map, layout, style sheets, color palette, navigation, and copy, illustration and photography needs.
- Review site in light of programming expectations and limitations.
- Develop site artwork.
- Present artwork for approval to Sally Client.

Estimate \$4,500/\$6,500

Phase 3—*Revisions, final development and programming (approximately two weeks).*

- Incorporate artwork feedbacks and revisions.
- Finalize illustration, photography, and animation.
- Program a 15-20 page editable site including: template based for global editing, cascading style sheets (CSS), multi-platform Mac and Windows testing on several browsers, key words and meta tags for page indexing.
- Off line preview to Sally Client.
- Revise site as necessary.
- Installation and testing on designated server.
- Go live (date to be determined).

Estimate \$11,000/\$13,000

Estimate total \$28,500/\$32,500

Please see the following page for estimate options and additions.

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Working Agreement**Estimates**

The costs and expenses cited in this proposal are our best estimates given the information provided. They include meetings, consultation time, design, programming, and production time, and a reasonable amount of revisions. If additional information is forthcoming, project specifications change, or the scheduling changes, cost and expense estimates may also change.

The effect of major changes, additional services, and delays cannot be determined until a final design direction has been established. If requirements arise for additional work or scheduling changes not reflected in this estimate, we will provide an updated estimate when the final design direction has been approved.

Cost and expense estimates are appropriate for 30 days from the date of this proposal. Taxes are not included in cost and expense estimates.

Revisions & Alterations

Work not described in this proposal, including but not limited to revisions (AAs), corrections, alterations and additional proofs, will be billed as an additional cost at the hourly labor rate of \$150 per hour, or at our cost plus 25% markup.

Terms

Unless otherwise arranged in advance, a retainer fee of 50% of the design, production, and expense estimates is required upon initiation of each project phase. The remainder of the costs for each phase will be invoiced upon its completion. Invoice terms are net 30 days. Invoices remaining unpaid after 30 days will be assessed interest at 1.5% per month (18% annually). If any phase of this project is delayed longer than 60 days, we will bill for work completed to date.

Should TWT elect to terminate this project, JustDail Design will invoice 50% of the lowest total estimate figure, or for actual work performed, whichever is greater, plus expenses.

Should JustDail Design find it necessary to refer past due accounts to an attorney for collection, then TWT shall reimburse JustDail Design for all attorney's fees and collection costs incurred. Any such fees incurred in the collection process will be added to the amount due, and the account shall not be considered paid in full until the entire debt has been settled.

Responsibility

JustDail Design will make every reasonable effort to ensure the accuracy of what is produced, but is not responsible for the correctness of copy, illustrations, photographs, nor for obtaining clearances or approvals.

TWT shall assume full responsibility for any accepted graphic recommendations from JustDail Design including, but not limited to trademark and patent searches, registrations, feasibility

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Estimate Options and Additions

Copy strategy is included in Phase 1. Copy development is not included in Phase 2. Copy can be provided by TWT or JustDail Design will provide it at an estimated cost of \$6,000 to \$8,000.

Miscellaneous expenses, such as deliveries, prints, messengers, and travel are not included, and will be billed at cost. We estimate them to be between \$250 and \$500.

Royalty-free stock photography and illustration will be used where appropriate. These costs will be estimated at the end of Phase 1. Original photography, and any original illustration or animation will also be estimated at that time. Original photography is \$2,500 to \$3,000 a day plus expenses, models, and location fees. Usage for original photography or illustration beyond the Web site might be additional. (See Ownership on page 6.) Photo art direction is \$1,200 per day plus expenses. Photoshoot retouching, if necessary, is extra and is billed at \$150 per hour. Illustrations are \$400 to \$1,800, depending on complexity. Animation costs are \$500 to \$2,000 depending on complexity. As proposed the site does not require complex Flash programming. If it is later required, it is available at \$150 per hour.

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Testing, and legal compliance responsibilities. TWT shall indemnify JustDail Design and hold it harmless from any damages, costs, or losses that might arise as the result of any action against either party regarding products and/or services performed with regards to this project.

JustDail Design will take normal measures to safeguard any materials entrusted to us. However, we are not responsible for the loss, damage or unauthorized use of such materials, nor are we responsible for the actions of the vendors and suppliers we utilize.

Ownership

This proposal is for the development and implementation of one strategic idea or concept. All preliminary concepts, ideas, approaches, plans, reports, recommendations, designs, artwork, and electronic files remain the sole property of JustDail Design, and may be used in the future at their discretion.

All materials used in the production of this assignment—including original artwork and computer-generated artwork, formats, and electronic code—remains the property of JustDail Design.

Unless otherwise agreed upon, all original photography and illustration are for the sole pur-pose of the Web site and may not be used in other applications. If TWT wishes to purchase unlimited rights to the use of original photography or illustration (ownership of copyright), please inform JustDail Design and this will be a consideration in the selection of and negotiation with photographers or illustrators.

Copyright to the Web site design will be considered transferred and reproduction rights granted upon receipt of payment in full.

Purchase Order

If this proposal is acceptable, please sign as indicated below and initiate a purchase order in the amount of \$28,500.

We shall be pleased to begin work on the schedule you determine after receipt of the TWT purchase order.

Submitted by: _____ Date: _____
Justin Dail
Principal
JustDail Design

Approved by: _____ Date: _____
Sally Client
Director of Marketing
The Wagging Tail Dog Care Centres

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