

TERMS AND CONDITIONS

The following Standard Terms and Conditions of Sale shall govern all orders for manufacturing of Optical Discs, Cassettes, or other products issued by the customer to Ultradisc.



1. Purchase Order: The customer is issuing the order form to Ultradisc for the manufacturing of the product indicated. The parties agree that the order shall determine titles, quantities, price specifications, and delivery time for the product, but in all other respects, notwithstanding any writing in such orders to the contrary, these Standard Terms and Conditions of Sale shall govern. Orders shall be binding only upon acceptance in writing by an authorized representative of Ultradisc. Consistent with industry standards, quantities are subject to a plus or minus 10% over/under-run for quality control purposes. The customer is only responsible monetarily for product received.

2. Payment Terms: Unless otherwise established with the customer in advance of placing the order and fully approved by Ultradisc, all orders require a 50% deposit with the order (Credit Card, Check, Money Order, Cashier's Check, and wire transfer; do not mail Cash). The balance is due prior to shipment. If payment is made by check, deposit must clear before production can begin and product cannot be released until final payment has cleared. Bank transfer must be complete before an order can be released. Partial delivery of an order can be made only if the entire order is paid. Mastering and graphic design work must be paid in advance. Past due invoices are subject to a 1.5-% monthly finance charge. All fees and costs in connection with collection of overdue payments are the customer's responsibility.

3. Shipping: Prices are Freight On Board our plant and are subject to change without notice. Shipment is by FedEx or UPS regular ground service unless otherwise specified by the customer. Ultradisc accepts no responsibility for loss or damage once any product has left the premises. FedEx or UPS shipments are insured automatically up to a maximum of \$100 per box. Additional insurance is available from FedEx or UPS and most other carriers upon request.

4. License of Master Recordings and Materials: The customer hereby grants to Ultradisc a non-exclusive license to manufacture the product from the Master Recordings identified on this order and to use any related graphic materials provided to Ultradisc hereunder by the customer, for that purpose.

5. Ultradisc's Warranty: Ultradisc warrants that the quality of production copies will meet or exceed the quality of approved test samples or proofs. Ultradisc shall replace or correct any products that are deemed by Ultradisc to be defective in materials or workmanship; the implied warranties or merchantability and fitness for a particular purpose are excluded. The customer must advise Ultradisc, in writing, of any defect. Such products should not be returned without return authorization. Except as stated in this paragraph, there are no other warranties, expressed or implied. In no event shall Ultradisc be responsible for special, indirect or consequential damage or costs of any kind.

6. Delivery Times: Delivery times are estimates. Ultradisc disclaims liabilities for unforeseen delays in delivery dates during production or shipping. Rush charges will be discounted if delivery dates are not met in accordance to the actual delivery date met.

7. California State Residents: Customers located in California must supply a sales tax exemption certificate in order to avoid billing for sales tax.

8. Warehousing and Storage of Customer's Materials: A minimum warehouse fee of \$100 per month will be levied for completed products left on Ultradisc's premises. If client fails to pay or take delivery of products within 120 days of completion date, Ultradisc has the right to sell, dispose of, or use in any manner as seen fit. Ultradisc will store customer masters at no charge for up to six months. Graphic artwork, photographs, film, etc. unclaimed for more than six months may be discarded. Customer's property stored on Ultradisc's premises is not insured and is stored strictly at the customer's risk. Ultradisc recommends for the customer to keep a safety or backup copy of all master materials.

9. Termination: Customer orders for products not yet manufactured by Ultradisc may be terminated by either party upon written notice. The customer will be responsible for a 10% cancellation fee as well as all costs incurred by Ultradisc related to pre-manufacturing or manufacturing of any product, prior to receipt of notice of termination. After such termination, the customer's original materials and any completed product may be delivered to the customer only after all sums owing to Ultradisc have been paid in full by certified funds.

10. Customer Representations: Customer represents, warrants and agrees that: [a] Each Master Recording provided to Ultradisc under this license shall be free of all liens and encumbrances. [b] The customer is the owner or holder of all rights in respect of the Master Recordings and related materials submitted for replication. Nothing contained on the Master Recordings or in any related materials or artwork provided to Ultradisc shall violate any proprietary rights of any person, including without limitation, trademarks, or copyright. [c] The customer is solely responsible for all monies payable to or on behalf of all parties rendering any services in connection with the Master Recordings. [d] Ultradisc shall be subject to no cost, fees, and royalties for or in connection with the manufacturing of any product from the Master Recording, including, but not limited to, the payment of mechanical royalties or publishing royalties. [e] The customer represents that the Master Recordings do not contain any obscene material, and the customer will assume full responsibility in the event any product manufactured hereunder is claimed to be associated with or found to be associated with any act of crime, violence, or unlawful act.

11. Indemnification: Customer agrees to and does hereby indemnify, save and hold Ultradisc (including court costs and reasonable attorneys' fees) arising out of, connected with, or as a result of Ultradisc's manufacturing of any product from the Master Recordings, or any copyright infringement which may result. In addition to any other rights and remedies Ultradisc may have by reason of its manufacturing of any product from Master Recordings, customer shall reimburse Ultradisc, on demand, for any payment made by Ultradisc with respect to any loss, damage or liability resulting therefrom.

12. Review of Audio CDs: As part of Ultradisc's due diligence efforts in satisfaction of RIAA anti-piracy rules, all audio CDs will be auditioned and all graphics materials screened in the context of possible illegal manufacturing (piracy, bootlegging, counterfeiting). Orders of a suspicious nature will require additional detailed licensing documentation. If order is subsequently cancelled, the standard termination fees will be levied.

13. Miscellaneous: [a] These Standard Terms and Conditions of Sale and Orders, their validity, construction and effect shall be governed and construed under the laws of the State of California. [b] These Standard Terms and Conditions of Sale and Orders may not be modified orally; no waiver, amendment or modification shall be binding or effective unless in writing and signed by the party to be bound.

Client: _____ Signature: _____ Date: _____

Project Title: _____