



20. May 2008

STANDARD TERMS AND CONDITIONS

1. **Acceptance.** These terms and conditions constitute a part of the contract between Soundcurrent Mastering Studios, Inc. ("Soundcurrent") and Client. Different or additional terms and conditions which may be included in Client's purchase order or other acceptance of this quotation are hereby rejected unless approved in writing by the owner of Soundcurrent.
2. **Changes in Specifications; Cancellation.** After acceptance of this quotation no changes by Client in the specifications will be binding on Soundcurrent unless Soundcurrent consents to such changes in writing. Additional charges for accepted changes will be billed to Client. Cancellations of bookings must be made within 72 hours or Client will be billed 50% of booked time.
3. **Rates; Additional Charges; Taxes.** All rates are subject to change without notice. In addition, Soundcurrent reserves the right to bill Client for additional charges incurred for any reason or cause that is the fault of Client (including without limitation Client's submitting materials which are not legible or otherwise suitable to produce the work) or otherwise beyond Soundcurrent's control. Any and all sales, use or other applicable taxes are the sole responsibility of and shall be borne by Client. All such taxes will be charged to Client in addition to the prices contained in this quotation and shall be due and payable within ten (10) days from the date of the invoice thereof.
4. **Risk of Loss.** All risk of damage or loss to the work at any time after arrival F.O.B. U.S. Post Office, Knoxville, Tennessee is assumed by Client, and such damage or loss shall not in any way release Client from any of its obligations hereunder. Client agrees that Soundcurrent shall not be liable for any special, incidental or consequential damages, including without limitation lost income or profits, resulting from damage or destruction to the work prior to delivery at the F.O.B. point specified herein.
5. **Tape Storage; Materials.** Tape storage is at Client's risk and may be released upon final payment. Quoted price is based on the cost to Soundcurrent of the type and grade of parts and materials to be used to produce the work as of the date of this quotation, and quoted price shall be subject to increases based on any increases in the cost of such parts and materials to Soundcurrent prior to completion of the work.
6. **Terms of Payment.** If Client defaults in payment of any invoice at due date, or in the event of any proceeding in bankruptcy or insolvency by or against Client, Soundcurrent, in addition to any right it has, shall have the right: (a) to suspend or discontinue work until it has received payment in full for work performed; (b) to require cash in advance to cover further work; (c) to collect late charges of 1 1/2% per month from due date; and/or (d) to recover all costs of collection, including reasonable attorney's fees. In the event credit or financial ability of Client becomes impaired or unsatisfactory in the sole reasonable judgment of Soundcurrent; Soundcurrent shall have the right at any time thereafter to change the credit terms with respect to any further work under this quotation.
7. **Approvals.** One Reference copy will be submitted to client for approval. Written approval or suggested changes to said Reference copy must be received by Soundcurrent within ___ days. Client will be billed for all additional time and materials relating to any such suggested changes.
8. **Delays, Contingencies and Limitation on Liabilities.** Production and delivery schedules are approximate only unless specifically guaranteed in writing by the President of Soundcurrent. In any event all such schedules are subject to and shall be extended for delays (a) caused by Client, including without limitation, failure of Client to timely furnish materials in satisfactory condition for use by Soundcurrent, failure of Client to promptly approve the [test tape], return by Client of the [test tape] with changes requiring additional time,

or any other breach of this agreement by Client (collectively, "Client actions"), or (b) resulting from any cause beyond the control of Soundcurrent ("force majeure").

Soundcurrent SHALL HAVE NO LIABILITY FOR ANY LOSS OR DAMAGE WHATSOEVER, DIRECT, INDIRECT OR OTHERWISE, RESULTING FROM ANY DELAY OR FAILURE RESULTING FROM CLIENT ACTIONS OR INACTIONS OR FORCE MAJEURE.

9. Warranty and Disclaimer of Warranties; No Consequential Damages. Subject to the provisions of paragraph 8 above regarding Client actions and force majeure, work performed by Soundcurrent for Client will conform in all material respects to specifications set forth on the reverse side hereof. THIS WARRANTY IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTY OF MERCHANTABILITY AND WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. SOUNDCURRENT'S SOLE AND EXCLUSIVE LIABILITY UNDER THIS WARRANTY SHALL, AT SOUNDCURRENT'S DISCRETION, BE EITHER TO REPLACE ANY DEFECTIVE WORK, OR PART THEREOF, OR TO REIMBURSE Client THE ACTUAL CHARGE PAID TO SOUNDCURRENT BY Client FOR ANY DEFECTIVE WORK OR PART THEREOF. SOUNDCURRENT SHALL IN NO EVENT BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST INCOME OR PROFITS, OR CLAIMS OF ANY THIRD PARTY, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR SOUNDCURRENT'S PERFORMANCE HEREUNDER WHETHER OR NOT CAUSED BY SOUNDCURRENT'S NEGLIGENCE.

10. Claims. Receipt of any work delivered hereunder shall be an unqualified acceptance of, and a waiver of any and all claims with respect to, such work unless Client gives Soundcurrent notice with details of alleged claim in writing and/or return of rejected production parts within five (5) days after receipt. However, with respect to alleged defects not discoverable upon reasonable inspection upon receipt, claim or return may be made within ten (10) days after Client discovers or should have discovered such defect; provided, that in any event, said claim must be made in writing within thirty (30) days of tender of delivery of the work in question. Any action by Client for breach of this agreement must be commenced not later than one (1) year after the cause of action occurs.

11. CD. Client acknowledges that compatibility of CD's produced hereunder with all commercially sold CD players may not be possible given the differences inherent in such players, and Client further acknowledges that Soundcurrent does not guarantee such compatibility. Client hereby releases Soundcurrent from, and agrees not to make any claim against Soundcurrent for CD incompatibility with any particular CD player or players.

12. Engineers EQ. Engineer's EQ is the property of Soundcurrent and will not be released.

13. CD Work Files. All files created by Soundcurrent during the process leading up to Disc Image generation, including without limitation those created using Samplitude, Pro Tools, and proprietary systems are and shall remain the sole property of Soundcurrent and will not be released.

14. Audio Encoding Settings. Encoding Settings are and will remain the sole property of Soundcurrent and will not be released.

15. Indemnification. Client agrees to indemnify and save Soundcurrent harmless from all losses, claims, damages and other expenses, attorney's fees, which Soundcurrent may suffer or incur in the event any claim is made against Soundcurrent for libel, slander, violation of privacy or right of publicity, violation of Postal laws and regulations, patent, trademark or copyright infringement, contract or other cause of action arising in connection with or relating to Soundcurrent's production of the work or the use, display, performance, reproduction, publishing, transportation, mailing or distribution of the work. Client further agrees at Soundcurrent's request to defend at Client's expense any such actions or claims made against Soundcurrent.

16. Waiver, Governing Law and Consent to Jurisdiction. Soundcurrent's failure to insist in any instance upon strict performance by Client of any terms and conditions herein shall not be construed as a continuing waiver of any such terms and conditions or as a waiver of any other terms or conditions. The entire agreement shall be performed and construed in accordance with the laws of the State of Tennessee and Client hereby expressly consents to the personal and subject matter jurisdiction and proper venue of Tennessee federal or state courts to hear and determine any cause of action arising from, or incident to, this Agreement.

17. Final Written Expression of Agreement. This writing, including attachments hereto and written amendments incorporated herein by reference, is intended by Soundcurrent and by Client as the final expression of this agreement and is intended also as a complete and exclusive statement of the terms and conditions of this agreement. If any term or condition of this Agreement is held invalid, the remaining terms and conditions shall continue in full force and effect.