

STANDARD TERMS AND CONDITIONS

This document (and documents, if any, specified on the reverse hereof) contains the entire agreement between Duplium Corporation ("Duplium") and Customer concerning the production, packaging and delivery of compact discs and other materials (the "Products") from items (including, without limitation, master media, photographs, artwork, label and packaging materials) delivered to Duplium by or for Customer (the "Materials"). This document supersedes all prior oral or written understandings, representations and agreements (including any terms which may appear on the Customer's documents or order form) between Duplium and Customer, and may not be amended except pursuant to a written document signed by both parties.

1. **Acceptance.** Orders are accepted by Duplium only by: (a) written confirmation of an authorized Duplium representative or (b) shipment of Products, and then only upon the terms herein. Duplium may refuse to accept any order for any reason. Customer agrees to all the terms herein. THIS DOCUMENT IS EXPRESSLY SUBJECT TO, AND DUPLIUM'S ACCEPTANCE OF AN ORDER IS EXPRESSLY CONDITIONED UPON, CUSTOMER'S ASSENT TO EACH AND ALL THE TERMS HEREOF. DUPLIUM HEREBY OBJECTS TO ANY DIFFERENT OR ADDITIONAL TERMS NOT SPECIFICALLY AGREED TO BY DUPLIUM IN WRITING, INCLUDING TERMS OF CUSTOMER'S ORDER. CUSTOMER'S SIGNATURE HERETO OR ACCEPTANCE OF THE GOODS DESCRIBED IN THIS DOCUMENT CONSTITUTES CUSTOMER'S ACCEPTANCE OF THE TERMS HEREO

2. **Orders.** Prices charged for services and Products provided to Customer hereunder are as specified on the reverse hereof. Orders may not be canceled by Customer after Duplium has begun processing or manufacturing. All shipments of Products will be F.O.B. Duplium facility and shipping charges and risk of loss or damage in transit shall be Customer's sole responsibility. Shipment is by regular ground service unless otherwise specified by Customer. Duplium reserves the right to make partial shipments. Duplium reserves the right to produce and charge for production overruns up to 10% over Customer's ordered quantity. Customer's order is deemed complete upon shipment of 90% or more of the total quantity ordered.

3. **Payment Terms.** Invoices will be issued upon shipment of Products (unless shipment is delayed by Customer, in which case an invoice will be issued upon completion of manufacturing). Invoices for services performed by Duplium hereunder will be issued upon completion of those services. Customer shall be responsible for all taxes, duties, excises and other charges associated with the production, sale or transportation of Products and performances of services hereunder (other than Duplium's net income).

Unless otherwise noted, payment of Invoices is due within 30 days of invoice date. Claims for adjustments in amounts due Duplium must be presented in writing within 5 days from the date of Invoice. If any amount remains outstanding after its due date, Interest shall run on that amount from the initial due date at the rate of 11/2% per month (18% per annum.) and shall accrue daily. Any credit on Customer's account must be claimed or used within 12 months from the shipping date of the goods to which the credit relates.

Notwithstanding the foregoing, Duplium may require part or full payment, security or payment guarantee in advance of any work, services or shipment. Customer grants Duplium a security interest in all Products and Materials until all amounts due hereunder are paid in full. Duplium may delay or withhold shipment of any order if payment in full has not been received on any prior order. Customer will pay all costs, fees and expenses of every nature (including attorney fees and expenses) incurred by Duplium in recovering any amounts owed by Customer, whether or not a lawsuit is commenced.

4. **License.** Customer grants Duplium a non-transferable license to reproduce and distribute copies of Materials to the extent necessary for Duplium to fulfill Customer's order.

5. **Delivery Times.** Unless otherwise agreed by Duplium in writing, delivery times are estimates and scheduled shipment dates may change.

6. **Warranty, Disclaimer and Limit of Liability.** Duplium warrants that optical products manufactured by Duplium will meet [Duplium's standard specifications], or such other specifications as are agreed to in writing by Duplium, for a period of one year from the date of shipment by Duplium. As Customer's sole remedy, and as Duplium's sole liability, for breach of this warranty, Duplium will, at its option, replace any Products or refund the amount paid by Customer to Duplium for any Products found to be defective by Duplium. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS PARAGRAPH, DUPLIUM DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY AS TO PERFORMANCE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL DUPLIUM BE LIABLE FOR AND CUSTOMER EXPRESSLY WAIVES ANY CLAIM FOR INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING (BUT NOT LIMITED TO) LOST DATA, PROGRAMS OR OTHER INFORMATION OR LOST PROFITS.

Notwithstanding any other provision of this document and in no event (including, but not limited to, lost data, programs or other information, business interruption, or delay or failure of delivery), shall Duplium's liability to Customer under any theory exceed the amount paid by Customer to Duplium pursuant to Duplium's invoice(s) for the related services or Products. No action, regardless of form, arising out of any claimed breach of, or transactions under, this document may be brought by either party more than one year after the cause of action has accrued.

7. **Materials.** Subject to the security interest granted above, Customer shall retain title to all Materials and their content. Customer warrants it owns all Materials or that it has the right and authority to deliver them to Duplium and have them reproduced. Customer also warrants it owns all copyright in the contents of the Materials (including without limitation any computer code embedded therein) or has the unrestricted right to permit Duplium to perform the services requested hereunder. Customer warrants the Materials do not contain any obscene or objectionable matter. Customer will indemnify, defend and hold Duplium harmless from and against any and all actions, suits, claims, liabilities, damages, losses and expenses (including attorney fees and expenses) arising directly or indirectly out of or in connection with any claim that the services rendered or products manufactured hereunder violate any law or regulation or violate any rights of third parties (including without limitation, any liability for slander, defamation, invasion of privacy, or infringement of any patent, copyright, trademark or other proprietary right of any third party).

If Customer is to provide artwork to Duplium in connection with the production of disc label printing or packaging of discs hereunder, such artwork must be received by Duplium prior to the commencement of work by Duplium. If Customer is to provide Materials for label printing or the final packaging or compact discs produced hereunder, such Materials must be received by Duplium not more than one week after delivery of the applicable master media to Duplium.

Customer is solely responsible for delivering Materials to, and retrieving (or paying for shipping) Materials from, Duplium. At Customer's request and sole risk, Duplium will store Materials while Duplium is providing services hereunder, at any place that Duplium deems appropriate. During such period, a storage charge may be assessed. After such period, a storage charge will be assessed until the Customer retrieves such Materials. Customer is responsible for removal of all Materials as requested. Duplium has the right to: a) return the Materials to Customer at the address indicated on the last order placed by Customer, at Customer's expense, or b) destroy, erase, or make any other disposition of such Materials without liability to Customer or any other person.

8. **Tooling, Programs, Specs and Data.** Duplium shall retain title to all tooling (including masters, stampers, and other tooling) produced by Duplium. Duplium shall also retain all rights in computer programs, specifications, or data developed by Duplium in or for the performance of this document, even if such computer programs, specifications or data were developed by Duplium for the Customer or otherwise. **Duplium will file all masters, stampers and art for a maximum of 2 years. Duplium has the right to: a) return the masters, stampers and art to the Customer at the address indicated on the last order placed by Customer, at Customer's expense, or b) destroy, erase, or make any other disposition of such Materials without liability to Customer or any other person. If master, stamper or art is not on file due to including, but not limited to, acts of God, damaged beyond use, equipment failures, strikes or other labor disturbances Duplium will advise the Customer upon re-order.**

9. **International.** The English language text, and American usage thereof, shall control the interpretation of this document and all other writings between the parties. All writings required hereunder shall be in the English language. Customer's payments shall be made in United States dollars, and Customer shall bear the risk of any exchange rate fluctuations. Customer shall: comply with all domestic or foreign laws related to its order; comply with all import and export laws and regulations and all applicable security and controller access laws and regulations, including obtaining all necessary security clearances, for airports, cargo transport areas, and related facilities, and be responsible for obtaining all required governmental approvals and licenses, and paying all customs, fees, taxes, duties and other charges in connection with the performance of the terms hereof.

10. **Risk of Loss.** Products shall remain Duplium's property until shipment. Products held by Duplium at Customer's request shall be held at Customer's sole risk.

11. **Confidentiality.** If Customer discloses confidential information to Duplium and clearly identifies such information in writing as "confidential", Duplium shall use reasonable care to ensure that such information is disclosed only to Duplium's employees or contractors requiring access to such information to render the services or manufacture Products requested by Customer. Nothing herein shall limit Duplium's right to use or disclose information that (a) becomes available to the public without fault of Duplium, (b) is lawfully acquired by Duplium from a third party, (c) is in the possession of Duplium at the time of disclosure by Customer, (d) is developed by or on behalf of Duplium by persons who have not received Customer's confidential information, or (e) is required by law to be disclosed.

12. **Force Majeure.** Duplium will not be responsible for claims or damages from delay in delivery of failure to perform if such failure or delay is caused by circumstances beyond the reasonable control of Duplium or its suppliers or contractors (including, but not limited to, acts of God, unavailability of materials, equipment failures, strikes or other labor disturbances).

13. **Severability.** If any provision of this document is declared to be invalid or unenforceable by a court of competent jurisdiction, such declaration shall apply only to such provision, and the remaining provisions will remain in full force and effect, and the court is hereby authorized to reduce or expand the scope of the provision which is invalid or unenforceable in order to make it valid and enforceable.

14. **Governing Law.** This document shall be governed by and construed in accordance with the laws of the State of Texas, without application of conflict of laws principles. Customer consents to the exclusive jurisdiction and venue of the state and federal courts located in Texas, and agrees any action by Customer shall be filed in such courts.

15. **Insolvency.** Customer represents by submitting an order that Customer is not insolvent, as that term is defined in the applicable Uniform Commercial Code. In the event Customer becomes insolvent before delivery of goods, Customer will notify Duplium in writing. A failure to so notify Duplium shall be construed as a reaffirmance of Customer's solvency at the time of delivery.

16. **Waiver.** All Duplium's rights herein are cumulative and not restrictive. No waiver by Duplium of any Customer's defaults or failure to perform shall operate as a waiver of future defaults or failures to perform.

Signed and agreed upon this _____ day of the month of _____ in the year _____ 20_____.

By signing below, I acknowledge that I have the authority to bind the company.

Signature

Print Name

Company Name