

INTELLECTUAL PROPERTY RIGHTS PROTECTION

1) Customer represents, warrants, and agrees that:

-Each master recording provided to NOVA MUSIC under this license shall be free of all liens and encumbrances.

-Customer is the owner or holder of all rights in respect of the master recordings and related materials submitted for replication/duplication. Nothing contained on the master recordings, or in any related materials or artwork provided to NOVA MUSIC, shall violate any proprietary rights of any person, including without limitation, trademarks or copyright.

-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.

-NOVA MUSIC shall be subject to no cost, fees, royalties for or in connection with the manufacturing of any product from the master recording, including, but not limited to the payment of mechanical royalty or publishing royalties.

-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.

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

3) As part of NOVA MUSIC'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, premastering and handling charges will be levied.

PRINTING

Consistent with industry standards, quantities delivered are not exact and may be 10% over or under purchase order quantities unless otherwise agreed upon in writing.

All our cd/cassette/dvd inserts and posters/postcards are produced in "Gang Run" format. Limitations of this process can result in slight color variations. Every effort is made to produce reasonable representation based on your supplied materials, but we do not guarantee exact color matching unless you order a custom job. Any films or printed materials you supply to us must meet our specifications.

TERMS

Unless otherwise established with customer in advance of placing the order and fully approved by NOVA MUSIC, all orders require a 75% deposit with order. Balance due prior to shipment. If final payment is made by check, product can not be released until check has cleared. 2% late payment charge per month. All fee's and costs in connection with collection of over due payments are customers responsibility. NOVA MUSIC's published prices reflect a 4% markdown offered to cash and net term accounts. Customers who wish to pay for their order using a credit card will not receive the 4% markdown.

RETURNED CHECKS

A charge of \$35.00 will be applied to your invoice or balance.

DELINQUENT ACCOUNTS

If your account becomes delinquent all orders will be placed on hold until payment in full is received. Delinquent accounts are reviewed and credit privileges may be decreased or revoked from those who repeatedly extend their payment beyond our terms. We reserve the right to accept or deny credit.

CANCELLATIONS

Canceled orders will be billed for all work done and materials used up to time of cancellation.

RETURNS/ERRORS

We stand behind our products and will replace them if we are in error. Samples of the product in question must be submitted to us prior to any decision. We will not be responsible for consequential damages as the result of our error. Our liability is specifically limited to the value of the product manufactured. We reserve the right to request the product be returned to us for inspection or correction.

SHIPPING

All shipments will be via the most efficient method depending upon size of order. Please supply street address rather than PO Box.

MATERIALS

NOVA MUSIC is not responsible for lost/damaged media, pictures or other related items. Please make back-up copies before submission.

DELIVERY TIMES

Unless otherwise confirmed in writing by NOVA MUSIC, delivery times are estimates, and time is not of the essence.

QUOTATIONS

Special quotations are valid for 30 days. We do reserve the right to alter telephone quotes if the item is different when we see it. All prices are quoted subject to purchaser assuming all taxes and charges of any nature imposed by any local, state or federal governmental authority, which shall become payable by reason of the sale or delivery of all products.

All prices are subject to change without notices.

Signature _____

Date _____