

DISTRIBUTION AGREEMENT

The following, when accepted by you will confirm the agreement as of the above date between you and us for the exclusive distribution of certain Master Recordings and the performances embodied thereon in accordance with the following terms and conditions:

1. You represent and warrant that you are free to enter into and abide by the terms of this Agreement and that you are the sole owner of the master recordings embodying the following compositions:

TITLES	COMPOSERS	PUBLISHER	ARTIST
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(hereinafter referred to individually and collectively as the Master") and of all the performances embodied thereon; that you have the right to give exclusive distribution rights and to make each and all of the grants herein made to us; and that no other person, firm or corporation has any right, title or interest in or to the Master or any copy or duplicate thereof, inconsistent with your rights therein, except as are specified herein, and that you have not heretofore done or permitted to be done, nor will you hereafter do or permit to be done, any act or thing which is or may be inconsistent with our absolute distribution of said Master and said performances or which may impair and/or curtail any of the rights given or grants made in this Agreement.

2. You further represent and warrant:

- (a) That, in connection with the recording of the Master, all costs of recording, musicians fees, and royalties to any artists, arrangers, and copyists, if any, have been paid in full by you; that you will be solely responsible for all above stated royalties and will indemnify us and hold us harmless against any losses, damages, costs or claims of any parties resulting from the services of the artists and musicians whose performances are embodied on said Master recordings.
- (b) That there are no liens, encumbrances and/or obligations upon or in connection with the Master or with the performance not specifically set forth herein.
- (c) You hereby agree to "drop ship" an initial shipment of _____ units within 21 days of the date of this Agreement and, to the best of your ability, to continue to supply us with records when demand from retail outlets so warrants. The address of the shipping location is:

All record shipments received by us must be with all shipping and handling prepaid by you. It will be our responsibility to pay the shipping and handling on any returns or unsold merchandise.

The term "records", as used in this Agreement, shall be deemed to mean all transcriptions, duplications, encoding or any other method, now known or to be later utilized, used to duplicate the performance including, but not limited to, phonograph records, audio cassette tapes, digital audio tapes and compact discs.

3. You hereby assign, transfer and grant to us absolutely for the term of this Agreement, the entire right to distribute in the United States and the world without any limitation not

specifically set forth hereinafter in and to the Master and all copies thereof and in and to the performances embodied thereon including but not limited to:

- (a) The exclusive distribution of the Master and all duplicates thereof and all the performances embodied thereon, and all or any parts thereof, edited, excerpted, altered or changed in any manner or by any means whatsoever for the term of this Agreement.
- (b) The sole, exclusive and perpetual right in the United States and the world to distribute, advertise, sell and otherwise deal in records manufactured from or embodying the contents of the Master or to refrain therefrom, upon such terms and conditions as we may decide, including the right to use and control all such records and the performances embodied thereon.
- (c) The non-exclusive right in the United States and the world to use and publish and to permit others to use and publish the names, likenesses and photograph of all persons who performed in the recording of the Master, in connection with the sale and exploitation of records produced from the Master.
- (d) The right to distribute copies of the Master in markets outside the United States and to act as negotiator for you in securing licensing of the Master in presently unsecured territories.

4. In full consideration of the due performance of all the terms and provisions to be performed by you and for all the rights granted to us hereunder, we agree to pay you the sum of _____ for each record sold and paid for in the United States and Canada. For records of the Master sold and paid for outside the United States, we agree to pay you ONE HALF (1/2) of all monies received by us. No payment shall be paid for records returned or those records that remain unsold and returned by us to you.

5. You agree to obtain all necessary mechanical licenses from the copyright owners of the compositions embodied on the Master and to pay mechanical license fees which may become properly due by reason of the sale of records manufactured from the Master. In the event that you are the copyright owner of any composition or compositions embodied on said Master, you warrant that you have issued to yourself the necessary documents required by the copyright office.

6. The aforesaid Master is to remain on the _____ label, however, we will be allowed to add to the label that the record is distributed by us.

7. All payments which we may be required to make to you may be made personally or by depositing the same, postage prepaid, in any box, chute or other receptacle authorized by the United States Post Office for mail, addressed to you at the address specified herein: The date of service of any payments so deposited shall be the date of deposit.

8. You further agree that for the duration of this Agreement you will not permit these artists to record the same compositions embodied within the Master.

9. We will compute royalties under this Agreement within sixty (60) days after the first day of January and July of each year for the preceding six (6) month period and will pay royalties to you within said sixty (60) days.

10. This Agreement shall be deemed to have been made in the State of _____ and shall be interpreted and governed by the laws of that state. Should any portion of this Agreement be found to be invalid or unenforceable, it shall not affect the balance of this Agreement.

11. The duration of this Agreement shall be for _____ years from the above date at the end of this time this Agreement shall be null and void and the remaining stock and all rights pertaining to them shall be returned to you.

12. You further grant to us the right of first refusal to distribute the follow-ups to this release, under the same terms as set forth in this agreement, and that you will provide said follow-ups within thirty (30) days after receiving notice from us. We must accept or reject these follow-ups within thirty (30) days after receipt of the Master.

13. If any disputes or differences whatsoever shall arise between us in connection with this Agreement, they shall be submitted to arbitration in the State of _____, in accordance with the laws, rules and regulations of that state.

ACCEPTED AND AGREED TO BY:

By: _____
PRODUCER
Address:

By: _____
DISTRIBUTOR
Address: