

DISTRIBUTION CONTRACT

THIS AGREEMENT between the undersigned parties is for the exclusive distribution of certain Master Recordings and the performances embodied therein, in accordance with the terms and conditions itemized below.

1. You guarantee 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 (referred to individually and collectively as the "Master"):

<u>Title</u>	<u>Composers</u>	<u>Publisher</u>	<u>Artist</u>

2. You guarantee that you have the authority to provide exclusive distribution rights and that no other person, firm or corporation has any right, title or interest in or to the Master or any copy or duplicate. Additionally, you guarantee that you have not done or will do anything which is inconsistent with our complete distribution of said Master and said performances.

3. You further guarantee:
 - a. In connection with the recording of the Master, all costs of recording, musicians' fees, and royalties to any artists and arrangers have been paid in full by you and that you will be solely responsible for all above-stated royalties. Additionally, you will indemnify us 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. There are no liens, encumbrances and/or obligations in connection with the Master or with the performance not specifically set forth.
 - 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, will continue to supply us with records when demand from retail outlets so warrants. The address of the shipping location is:

 - d. You will prepay any and all shipping and handling for all record shipments. It will be our responsibility to pay the shipping and handling on any returns or unsold merchandise.
4. The term "records", as used in this AGREEMENT, shall mean all transcriptions, duplications, encoding or any other method used to duplicate the performance, now known or to be later utilized, including, but not limited to: phonograph records, audio cassette tapes, digital audio tapes and compact discs.
5. For the term of this AGREEMENT, you hereby assign, transfer and grant to us all rights to distribute in the United States of America and the world without any limitation in and to the Master, all copies, and all performances embodied therein, including but not limited to:
 - a. The exclusive distribution of the Master, all duplicates, and all the performances, edited, excerpted, altered 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 of America and the world to distribute, advertise, sell and otherwise deal in records manufactured from 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 therein.
 - c. The non-exclusive right in the United States of America 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 of records produced from the Master.
 - d. The right to distribute copies of the Master in markets outside the United States of America and to act as negotiator in securing licensing of the Master in presently unsecured territories.
6. In full consideration of all the terms and provisions to be performed by you and for all the rights granted to us, we agree to pay you the sum of _____ (\$_____) for each record sold and paid for in the United States of America and Canada. For records of the Master sold and paid for outside the United States of America, we agree to pay you ONE HALF (1/2) of all funds received by us. No payment shall be paid for records returned or those records that remain unsold and returned by us to you.
7. 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 due by the sale of records manufactured from the Master. In the event that you are the copyright owner of any composition embodied on said Master, you warrant that you have d the necessary documents required by the copyright office.
8. The aforementioned Master is to remain on the _____ label. However, we will be allowed to add to the label that the record is distributed by us.
9. 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 (address listed on page 4).

10. 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.
11. 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.
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. GOVERNING LAW: This AGREEMENT shall be governed by the laws and in the courts of the State of _____ and by the laws of the United States, excluding their conflicts of law principles. Any dispute or legal proceeding regarding the AGREEMENT shall take place in the county of _____, in the State of _____.

DATED: _____

AGREED TO AND ACCEPTED

_____ Signature	_____ Signature
_____ Name	_____ Name
_____ Address	_____ Address
_____ City/State/Zip	_____ City/State/Zip
_____ Telephone	_____ Telephone