

SUMMIT SOUND SIAD INC. TERMS & CONDITIONS OF SALE & PRODUCT GUARANTEE

Intellectual Property Rights Protection

Summit Sound Inc. participates in the International Recording Media Association's (IRMA) Anti-Piracy Compliance Program, which protects property rights owners from the unauthorized distribution of their content.

Summit Sound Inc. reserves the right, at its sole discretion, to investigate the ownership of any and all materials provided for manufacturing.

If Summit Sound Inc. determines, or has reason to believe, that the customer does not have the authority to reproduce the product or materials provided, Summit Sound Inc. will have no further obligations to the customer to provide any reproduction services or any other services under any agreements with respect to such product or materials, and will return such product or materials to the customer. By reserving these rights, Summit Sound Inc. does not in any way assume an obligation to investigate or verify ownership of any and all intellectual property or other materials provided by the customer, and Summit Sound Inc. will rely solely on the customer's representations and warranties, as provided under Summit Sound Inc. Product Identification Form.

The customer represents and warrants that it is the true and rightful owner of, or is licensed or otherwise possesses legally enforceable rights to use, the registered and unregistered rights, titles, and interests in and to any Canadian, United States or foreign trademarks, service marks and trade names, copyrights, or other intellectual property rights relating to the customer's property subject to this agreement, including but not limited to the right to use certain films, music and sound recordings, pictures, software, etc.

The customer is not, or will not be, as a result of the execution and delivery of this agreement or the performance of the obligations hereunder, in violation of any intellectual property rights of third parties.

No claims with respect to the customer's intellectual property rights or third party intellectual property rights are currently pending, or, to the knowledge of the customer, are threatened by any person, nor, to the customer's knowledge, do any grounds for any claims exist.

Customer agrees to indemnify, defend, protect, and hold harmless Summit Sound Inc. and its subsidiaries and their respective officers, directors, agents, affiliates, distributors, franchisees, and employees (collectively, "indemnified parties") against any liabilities, losses, claims, damages, punitive damages, causes of action, lawsuits, administrative proceedings (including interest from the date of such damages), and costs and expenses (including without limitation reasonable attorneys' fees and disbursements of every kind, nature, and description) (collectively, "damages") suffered, sustained, incurred, or paid by the indemnified parties in connection with, resulting from, or arising out of, directly or indirectly (i) any claim, demand, proceeding, or lawsuit by a third party based on any assertion that the services provided to the customer under this agreement breaches the patent, copyright, trademark, trade secret, or other proprietary right of such third party and (ii) any breach of any representation or warranty of the customer set forth in this agreement or the Product Identification Form, Intellectual Property Ownership Agreement, Purchase Order, or in any other form or document in connection herewith.

The customer agrees to provide Summit Sound Inc., upon request, all necessary documentation for a supplied data source, including all pertinent copyright and licensing information.

Indemnity

Summit Sound Inc. shall not be liable in respect of any loss, injury or damage suffered by the customer in respect of loss or damage to property of the customer or others from theft, accident or any cause, or injury or damage of any kind whatsoever to customer or others arising out of any work done by Summit Sound Inc. pursuant to this contract, or any injury or damage sustained while in and about the premises used by Summit Sound Inc. in carrying out this contract. Without limiting the generality of the foregoing, property of the customer shall include master tapes, duplicated products, musical instruments and personal effects of the customer.

Reservation of Rights

Summit Sound Inc. reserves the right to refuse any order.

All masters, artwork, photos, and any other materials furnished to Summit Sound Inc. by the client remain the property of the client.

Any raw materials created by Summit Sound Inc. including artwork, photography, photo manipulation, original drawings, utilized in any finished product (ie. compact discs, dvd, audio or video cassettes) and all work engrossed therein, shall remain the sole possession, at all times of Summit Sound SIAD Inc.

Raw materials and artwork shall include all preliminary sketches, finished artwork, photography, negatives, colour separations, colour keys, printing plates, record & CD pressing parts, stampers, tape duplication & compact disc, masters and parts and other materials and goods created by Summit Sound Inc., used or produced in connection with the finished product. Customer shall have no right to reproduce or reprint any artwork or any part of any finished product provided by Summit Sound SIAD Inc. without written consent.

Upon payment in full for finished product (ie. compact discs, dvd, duplicated audio & video tapes) customer shall have sole title to possession and resale of that finished product.

Summit Sound Inc. shall have the first right to reproduce and reprint 10,000 copies of the final product for delivery to the original customer, upon terms and conditions acceptable to Summit Sound SIAD Inc. and the customer.

Summit Sound Inc. reserves the right to retain a copy of all materials recorded or manufactured by them for purposes of demonstration. Customer agrees to allow Summit Sound Inc. to use customer's personal or professional name and/or copies of his recorded or manufactured product in the course of Summit Sound Inc. promotion, and any Summit Sound Inc. advertising.

Customer agrees to indemnify and save harmless Summit Sound Inc. from any prosecutions, suits, liabilities, claims or damages pursuant to any federal or provincial law regulating advertising, promotion, retailing and distributing goods or services provided by customer.

to the extent which this contract forms part of.

Payment Policy

Summit Sound Inc. accepts cash, certified cheque, bank draft, money order, VISA or MasterCard.

Summit Sound Inc. requires a 60% deposit with your order. Balance of payment, subject to a 10% production under or over run, is due upon completion of order, (including freight) **before** shipping. Sorry No C.O.D's unless special arrangements have been made in advance at time order is placed. .

Billing Policy

Applies only to corporate accounts who have filed formal credit applications and have been approved for net10 day terms with Summit Sound Inc.

Past-due accounts and accounts placed for collection are responsible for all associated fees, including interest at 1% per month on the late balance.

All orders are subject to a production under or over run of up to 10%. Customers will be charged for actual quantities shipped.

If a client opts to supply Summit Sound Inc. with digital files or finished film for printing, any charges to accommodate those files or films to Summit Sound Inc. specifications will be billed to the client.

Pick-Up/Delivery Policy

Summit Sound Inc. is not responsible for storage of any printed materials. Printed materials retained for client (to facilitate re-orders) are kept strictly at client's own risk.

In the event a client fails to pay within 90 days for any work completed, or in the event a client fails to accept delivery or pick up his finished product within 90 days from completion, Summit Sound Inc. has the right to sell, dispose of, or use any such material on hand in any way the company chooses, and client will forfeit their initial deposit.

Shipping

All orders are shipped FOB. Summit Sound Inc., Westport, ON Canada.

Pricing Policy

Summit Sound Inc. reserves the right to change prices, colors, materials, specifications, and quantities mentioned in our catalog or on our website without prior notice or obligation.

Guarantee Policy

The limited guarantee provided here and after is in lieu of all other warranties expressed or implied on Summit Sound Inc. products and/or services and supercedes any and renders null and void any oral representations.

Summit Sound Inc. will make every reasonable effort to insure that all products are manufactured according to the most rigid standards in the industry, and that all materials are of the highest quality currently available. Summit Sound Inc. will make every reasonable effort to ensure customer satisfaction on product quality. In the event of any disagreement between Summit Sound Inc. and the customer, the opinion of the manufacturer regarding acceptability of the finished product shall be the final and non-appealable decision to settle any dispute.

Summit Sound Inc. guarantees the client's satisfaction with art and audio proofs. If Summit Sound Inc. cannot satisfy the client at this preliminary stage of production, we will refund any deposited amount (less any design/mastering expenses incurred) if client wants to cancel project. However, once proofs are approved, we will charge for all work performed, even if the project is subsequently cancelled.

Colour laser prints, CMYK colour keys and/or laminated proofs are for proofing purposes only and colors may vary on final product. Summit Sound Inc. cannot guarantee exact colour matching beyond basic Industry standards for "ganged-job process colour printing".

When Summit Sound inc. is providing typesetting and design services, or corrections to supplied digital files, Summit Sound Inc. shall not be responsible for any errors in the layout, artwork or typesetting once the work has progressed beyond the "artwork" stage. Summit Sound Inc. liability for error extends ONLY to the correction of OUR ORIGINALARTWORK where we have been instructed by the client IN WRITING to make changes.

When masters, film or digital files are supplied by the client to Summit Sound Inc., Summit Sound Inc. shall not be liable for any errors in finished product resulting from defects in the client's supplied materials. Any additional cost required to remedy problems with customer's supplied masters, digital files or films shall be completely at the client's expense. It is clearly understood that it is the responsibility of the client to request any required proofs (ie. audio master copies, laser prints, CMYK colour keys or laminated colour proofs) before the job goes into production. Should the client fail to request these proofs, in advance, Summit Sound Inc. shall have no responsibility to provide such proofs, or attempt to match finished product to them.

Your order may be delayed if you have failed to enclose all necessary materials (master, artwork, deposit, signed order form, signed Product Identification Form, and Audio Master Log).

Quoted or acknowledged delivery dates are only estimated dates of delivery. Summit Sound Inc. specifically disclaims liability for delays in delivery and any resulting consequential damage or losses.

While Summit Sound Inc. will treat the client's materials with the utmost care, Summit Sound Inc. specifically denies liability for any damage or loss due to fire, casualty, or negligence while the client's materials are in the care and possession of Summit Sound Inc..

Clients should provide insurance coverage, as Summit Sound Inc. policy does not provide protection for client materials in our possession. It is the client's responsibility to retain "safety" copies audio masters, artwork, photography & supplied graphics etc. in case of loss.

No merchandise may be returned to Summit Sound Inc. without return authorization.

Summit Sound Inc. cannot be responsible for damage to cassette tapes or compact discs due to improper storage of product by customer.

No product is replaced, or credit given, more than sixty (60) days after client's receipt of product.

Summit Sound Inc. disclaims all liability for any consequential damage or losses, under any theory, for defects in material or workmanship. At the sole discretion of Summit Sound Inc., any reruns to replace product deemed defective by Summit Sound Inc. will be pro-rated, based on the quantity of goods returned to Summit Sound Inc.. OR the wholesale price of any product found defective under the terms of this guarantee will be deducted from the total cost of the customer's next order produced by Summit Sound inc.. No cash refunds.

Client Acknowledgment of Agreement

In consideration of Summit Sound SIAD Inc. providing recording and/or duplication services to the customer, in connection with the goods and services contained herein, customer hereby agrees to indemnify Summit Sound SIAD Inc. and hold it harmless from loss or damage (including court costs and solicitors fees) arising out of or connected with any claim by a third party by reason of any claim of infringement of copyright or trademark or of any claim that the recordings made and/or duplicated by Summit Sound SIAD Inc. on behalf of customer is not the customer's property, or that the services performed under this contract infringes a third party's right, or defames or infringes the right of privacy of any person, or any claim for royalties on works produced by Summit Sound SIAD Inc.

Customer acknowledges receipt of a copy of this contract and has read and agrees to be bound by all terms and conditions contained herein:

Date: _____ **Customer Signature:** _____

Customer Name: _____ **Person Signing:** _____

Signature Per Summit Sound SIAD Inc.: _____, **Position:** _____