

DUPLICATION AGREEMENT page 1 of 3

Services / Product Fulfillment:

It is understood that Healey TMS Inc. will provide production services in accordance with the approved functional specifications for work that the Client/Broker warrants and represents to Healey Music Inc. that it has obtained ownership, signed documentation, control and/or license of the media to be duplicated/replicated by Healey Music Inc. It is also understood that Healey Music Inc. may at its sole discretion, engage any sub-contractors to perform any part of the services.

Quantity - All orders that contain printed packaging will be considered complete if they are plus or minus ten (10%) of the ordered quantity for audio CDs, CD-ROM, CD-R, DVD, VHS, diskette and audiocassettes. The amount under will be credited on a pro-rated, per unit basis. The amount over will be given to the Client/Broker free of charge (shipping is extra).

Payment (must be one of the following) - Certified cheque, money order, bank draft or cashier's cheque. A sixty percent (60%) deposit is required on placement of order, and the balance before shipment of the completed order. Unfortunately, Healey TMS Inc. cannot accept personal or company cheques from the United States due to the long clearance times. We also accept payment in the form of Visa, MasterCard, and American Express. For local clients we offer Interac.

Term accounts - All accounts applying for terms must provide financial information and complete a credit application. If approved, full payment is due thirty (30) days from invoice date. It is understood that accounts that are past due and over sixty (60) days will lose "open account" status and automatically be placed into collections. It is also understood that "orders in production" may be placed on hold due to overdue accounts.

Shipping - The client will be responsible for shipping charges on the completed order. Healey TMS Inc. will pay any customs & brokerage fees on orders shipped to you when applicable (U.S. orders only). We will also pay for any customs & brokerage fees on orders shipped to us, provided that the value of the shipment does not exceed \$14.00 (fourteen) dollars and our shipping instructions are followed (U.S. orders only). Delivery dates are subject to print production schedules and commercial freight carriers; therefore we cannot guarantee a delivery date. Finished goods will be held for sixty (60) days after completion. At that time Healey Music Inc. is no longer responsible for the delivery of that product. If the product made by Healey TMS Inc. is found to be defective or is labeled or shipped in error, Healey TMS' sole liability will be to promptly replace, credit or repair such defective products, provided written notice of such imperfection or error is given within seven (7) days after its arrival at its destination.

Graphic Art Charges - The acceptable allowance for scanned images is based on a per panel per page basis (1 panel or page equals one scan) per project. Additional scans will incur extra charges over and above the original quoted project design rate. Additional file modifications or layout revisions, proofs and or couriers are at an additional cost if applicable to the original quoted project. The Client/Broker will approve all additional charges before proceeding. The Client/Broker for all artwork files supplied on disk must supply reference proofs.

Specifications - Please make sure that all components meet our specifications. Failure to do so may result in delays to the completion of your project and may result in additional charges.

Production Masters:

All production masters provided by the Client/Broker will be duplicated/replicated as is. Healey TMS Inc. cannot be held responsible for the quality of the audio and/or data programming of the provided master. Programming, auto run features and X platform compatibility are not tested prior to manufacturing. All modifications to a supplied production master must be specified in writing prior to manufacturing and the Client/Broker must approve a final production proof. (Additional charges may apply).

Color Matching (Printed Inserts):

All our inserts are "gang-run" as per industry standard (several inserts printed on the same sheet). This allows us to offer printed inserts at an economical cost to you, but unlike magazine – quality printing exact color matching for any one project is not our standard option. We will make every effort to monitor the printing of your insert, but we cannot guarantee an exact color match on the final product. If this is of a great concern please contact your representative for other options. Due to differences in equipment, processing, printing substrates, paper, inks, pigments and other conditions between color proofing and production

DUPLICATION AGREEMENT page 2 of 3

pressroom operations, a reasonable variation in color between color proofs and the completed project shall be considered acceptable. If you are at all concerned about the final colour of your product we strongly recommend you request pressmatches BEFORE giving us the approval to proceed with your order. This will add time and cost to your project.

Copyright Ownership:

It is illegal to reproduce a sound recording without the expressed consent of the owner of the recording. Healey TMS complies with all international copyright conventions and participates in copyright compliance and anti-piracy initiatives undertaken by The Recording Association of America (RIAA), the Canadian Recording Industry Association (CRIA) and the International Recorded Media Association (IRMA). In order to protect you and us from possible legal action, you may be asked to produce proof of ownership or license to replicate prior to manufacturing. It is understood that you, the Client/Broker is responsible and liable for obtaining any and all required licenses to reproduce any sound recordings that you are not the original owner of. Healey Music Inc. will not knowingly duplicate/replicate any questionable recording that you cannot provide the appropriate documentation for.

Anti-Piracy:

It is understood that software even if it is "shareware or freeware" must be checked by the Client/Broker prior to placement of order to verify if the copyright holder allows copying of their programs. Healey Music Inc. will not duplicate/replicate if a provided master comes under questionable authenticity, or if 3rd party software such as MS iExplorer, AOL, Netscape and other common browsers are used without obtaining distribution agreements. All mechanical licensing documentation must be provided upon request for all production masters to be duplicated/replicated.

Representation:

The Client/Broker warrants and represents to Healey TMS Inc. that it has ownership, signed documentation, control and/or license of the media to be duplicated/replicated by Healey Music Inc. The Client/Broker hereby attests it holds full right to sub-contract Healey TMS Inc. to duplicate/replicate the provided production master, and further agrees that it shall defend, hold harmless and indemnify Healey Music, Inc. in any legal action in which Healey TMS Inc. is named as a party to unauthorized or illegal duplication/replication of a Client/Broker provided production master on the Client/Broker's behalf.

Publishing (Cover Songs):

Recording a version of someone else's song requires payment of royalties to the original writers and the publisher of the song. This is commonly called a mechanical royalty. These rights are usually administered in the U.S. by the Harry Fox Agency (212-370-5330, www.nmpa.org) Please reference the form "request for phonorecord importation" or in Canada by the Canadian Musical Reproduction Rights Association (CMRRA) (416-926-1966, www.cmrra.ca). You can also negotiate directly with the publisher of the material. It is your responsibility to obtain these rights and you may be asked to produce this license prior to manufacturing.

Our Warranty:

(Read this carefully): At our discretion, we will either replace any product with obvious manufacturing defects, or credit the applicable amount. Healey TMS Inc. cannot be held liable for any direct, indirect, special or consequential damages of our actions or products (including damages for loss of profits, revenue or business and the like) in any way. Please, do not schedule the release of your product too close to the anticipated delivery of your project. Delays can and do occur due to the numerous number of variables involved.

DUPLICATION AGREEMENT page 3 of 3

Choice of Law:

This agreement shall be governed by, and construed in accordance with laws, of the Province of Ontario, Canada and venue for any action commenced under this agreement shall be in the courts located in the City of Ottawa, Ontario, Canada.

Additional Information:

- It is highly recommended that all Masters be backed up and sent in place of your originals. We will not be held responsible for loss or damage of your Master. (Applies to all client supplied materials).
- Finished printed graphics supplied by the client, which don't meet size specifications, are subject to an extra charge.
- When supplying final film, client is responsible for costs incurred for adapting said final film to proper specifications.
- Production masters and film separations will be returned at the request and expense of the client. Note: This must be requested on the placement of your order.
- Prices quoted in our price list may change without notice.
- Healey TMS occasionally has to destroy parts stored by us on your behalf. We keep all components for a minimum of 1 year. Due to space restrictions, we can not feasibly keep all parts indefinitely and must therefore periodically clear space in the warehouse to make room for newer materials. If you will not be reordering with the year we recommend you ask to have your materials returned to you at the end of your order. We are not responsible for these parts after one (1) year.

Important: The Following Section Must Be Completed And Signed

Name:	Street Address:	
Legal Business Name (if applicable):		
Tel:	City:	
Fax:	Province / State:	Postal / Zip Code:
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Authorizing Signature		Date

Blanket Agreement* Applicable Only To Brokers / Resellers

If you wish to have this agreement act as a blanket agreement and to be valid for one year from the stated date below please check this box or you will be required to submit this documentation on placement of each order.

Please Note: Copyright and licensing documents must still be provided upon request with each order.