



STANDARD TERMS & CONDITIONS FOR REPLICATION OF CDRS, CDS, DVDS & CASSETTES

This **Purchase Agreement** contains the entire agreement between Realtime Inc. and Customer concerning the replication of CDRs, CDs, DVDs and cassettes from master media supplied by Customer and any other services and products provided by Realtime Inc. to Customer hereunder. This **Purchase Agreement** shall supersede any prior oral or written understandings, representations and warranties (including any terms and conditions which may appear on a separate work order form) between Realtime Inc. and Customer, and may not be amended except pursuant to a written document signed by both parties.

Acceptance. This Purchase Agreement will be accepted only at Realtime Inc.'s office in Seattle, WA by: (1) written confirmation from an authorized Realtime Inc. representative or (2) shipment of goods in accordance with the terms set forth herein. Realtime Inc. reserves the right to refuse to accept any Purchase Order for any reason. The Purchase Agreement is subject to and Customer agrees to be bound by all terms and conditions set forth herein and Customer waives any objections thereto.

Prices, Orders and Shipments. All orders are subject to the terms and conditions detailed on any and all of the following Realtime Inc. documents: customer quotation, work order, order form. Prices to be charged for services and materials provided to Customer hereunder shall be as agreed upon at order placement. Orders may not be canceled after Realtime Inc. has begun processing or manufacturing. Scheduled shipment dates are subject to change, and Realtime Inc. reserves the right to make partial shipments when necessary. All shipments are made UPS or FEDEX regular carrier unless specified otherwise. Customers are responsible for all freight charges, including any possible returns or reshipments, as well as any upgrades required to meet customers' deadline. All orders are considered complete if within + or - 10% of open quantity. Final invoice amount reflects actual number of units manufactured. Prices and specifications are subject to change without notice.

Payment Terms. An advance deposit of 50% is required on all jobs before work can begin. The remaining balance will be due upon receipt or shipment of merchandise. All COD & product shipments must be paid in advance as Cash, Certified Check or Money Order unless prior credit has been established. Claims for adjustments in amounts due Realtime Inc. must be presented to Realtime Inc. in writing within five (5) days from the date of invoice. Customer shall be responsible for all local, state, federal or other governmental charges for sales, use, manufacturing, excise and similar taxes associated with the production of products and performance of services hereunder in addition to other charges hereunder. A late charge at the rate of one and one-half percent (1 1/2%) per month (18% annually) will be charged for all amounts past due at Realtime Inc.'s option. Realtime Inc. shall have a lien on all clients' materials, until full payment for any due or outstanding accounts is received. If client fails to pay within 60 days for any work completed, or in the event a client fails to accept delivery or pick up his finished product within 60 days from completion, Realtime Inc. has the right to sell, dispose of, or use any such material on hand in any way the company chooses. In this case all negatives, master tapes, stampers, printed materials, compact discs, cassettes, etc. become property of Realtime Audio. In the event client's account is placed with a collection agency, client agrees to pay all costs (whether or not suit is instituted), including interest accrued, court and attorney's fees. Clients whose checks are returned will be charged \$20.00.

License. Customer grants Realtime Inc. a royalty-free, non-transferable license to reproduce and distribute copies of Materials (as hereunder defined) to the extent necessary for Realtime Inc. to perform its obligations under this **Purchase Agreement**.

Warranty, Disclaimer and Limitation of Liability. Realtime Inc. guarantees products unconditionally against defects in quality and workmanship. Realtime Inc. limits liability to rerun or refund (at our option) on services performed, providing that the product is deemed defective by reason of workmanship or material. No merchandise may be returned without permission. Reruns or refunds will only be for quantities returned. No product is replaced or credit given, more than 60 days after delivery of product. Realtime Inc. does not guarantee, and will not be held liable for defects or damages caused by materials purchased by the client from other firms. Realtime Inc. assumes no risk and makes no guarantees for the security of client's material in production, storage, or delivery, or for delivery schedule, arrival times, delay or detention of materials prepared for clients. Client assumes sole responsibility for the above mentioned risks. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS PARAGRAPH, REALTIME INC. DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY AS TO PERFORMANCE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

IN NO EVENT SHALL REALTIME INC. BE LIABLE FOR, AND CUSTOMER EXPRESSLY WAIVES ANY CLAIM FOR, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO LOST DATA, PROGRAMS, OR OTHER INFORMATION OR LOST PROFITS. Notwithstanding any other provision of this Purchase Agreement and in no event, including lost data, programs, or other information, damage for business interruption or, without limitation delay or failure of delivery, shall Realtime Inc.'s liability to Customer under any theory exceed the amount paid by Customer to Realtime Inc. pursuant to Realtime Inc.'s invoice(s) for the related services or materials. No action, regardless of form, arising out of any claimed breach of this Purchase Agreement or transactions under this Purchase Agreement may be brought by either party more than one (1) year after the cause of action has accrued. **CUSTOMER AGREES TO INDEMNIFY AND HOLD HARMLESS REALTIME INC. FROM ANY AND ALL CLAIMS OR SUITS BROUGHT REGARDING COPYRIGHT INFRINGEMENT OR RELATED PROCEEDINGS.**

Materials Provided By Customer (all items delivered to Realtime Inc. by or for Customer for use in connection with the production, printing and/or packaging of compact discs, CDRs, DVDs and cassettes hereunder, including, without limitation, master media, artwork and packaging materials). (a) Customer shall retain title to all Materials, including the content of such Materials. Customer warrants that it owns all Materials and has the right to deliver all Materials to Realtime Inc. Customer also warrants that it owns all copyrights in the contents of Material (including without limitation any computer code embedded therein) or has the unrestricted right to permit Realtime Inc. to perform the services requested hereunder. Customer warrants that the Materials do not contain any obscene or objectionable matter. Customer agrees to **indemnify**, defend and hold Realtime Inc. harmless from and against any and all actions, suits, claims, liabilities, damages, losses and expenses (including attorney's fees) arising directly or indirectly out of or in connection with any claim that the services **rendered or product manufactured for Customer** by Realtime Inc. violate any local, state, or federal law, rule or regulation or violate any rights (including copyrights) of third parties, including without limitation, any liability for slander, defamation, invasion of privacy, or infringement of any patent, copyright, trademark, or other proprietary right of third party. (b) If Customer is to provide artwork to Realtime Inc. in connection with the production of disc label printing or packaging of compact discs or cassettes hereunder, such artwork must be received by Realtime Inc. prior to the commencement of work by Realtime Inc.. Materials for label printing or the final packaging of product must be received by Realtime Inc. not more than one (1) week after the delivery of the applicable master media to Realtime Inc.. (c) Customer is solely responsible for delivering Materials to and retrieving Materials from Realtime Inc. hereunder. At Customer's request and sole risk, Realtime Inc. will store Materials as long as Realtime Inc. is providing services hereunder, at any place that Realtime Inc. deems appropriate. After such period, a storage charge will be assessed until Customer retrieves such Materials from Realtime Inc.. Customer is responsible for removal of all Materials within thirty (30) days of notification by Realtime Inc.. If Customer fails to remove materials as requested, Realtime Inc. shall have the right to destroy, erase, or make any other disposition of such Materials without liability to Customer or any other person.

Rights In Tooling, Programs, Specifications and Data. Realtime Inc. shall retain title to all tooling, including masters, stampers, and other tooling, produced by Realtime Inc. and/or its vendors. Realtime Inc. shall also retain all rights in computer programs, specifications, or data developed by Realtime Inc. in or for the performance of this **Purchase Agreement**, notwithstanding whether such computer programs, specifications or data were developed by Realtime Inc. for Customer or otherwise.

Export. Customer agrees not to export any product manufactured **for it by Realtime Inc.** in violation of any export control laws, rules or regulations.

Risk of Loss. Products manufactured by Realtime Inc. **for Customer** shall remain the property of Realtime Inc. until **shipment to Customer pursuant to Paragraph 1.** Finished products held by Realtime Inc. **at Customer's request** shall be held at the Customer's sole risk.

Confidentiality. If client discloses confidential information to Realtime Inc. and clearly identifies such information in writing as "confidential", Realtime Inc. shall use reasonable care to ensure that such information is disclosed only to Realtime Inc. employees requiring access to such information **to render the services or manufacture product requested by Customer.** Nothing herein shall limit Realtime Inc.'s right to use or disclose information that (a) becomes available to the public without fault of Realtime Inc.; (b) is lawfully acquired by Realtime Inc. from a third party; (c) is in the possession of Realtime Inc. at the time of disclosure by Customer; or (d) is developed by or on behalf of Realtime Inc. by persons who have not received Customer's confidential information.

Force Majeure. Realtime Inc. will not be responsible for failure to fulfill its obligations under **any Purchase Agreement** if such failure is caused by circumstances beyond the reasonable control of Realtime Inc. or its suppliers or contractors, including but not limited to acts of God, unavailability of materials, equipment failures, strikes or other labor disturbances.

Severability. If any provision in this Purchase Agreement is found to be invalid, unenforceable or void by a court of competent jurisdiction, such provisions shall be deemed to be severed from this Purchase Agreement, and the remaining provisions will remain in full force and effect.

Governing Law. This **Purchase Agreement** shall be governed by and constructed in accordance with the laws of the State of Washington. Any suit or action **by Customer against Realtime Inc.** shall be brought exclusively in the state or federal courts in Seattle, Washington.

I have read and I understand the above. SIGNATURE _____

DATE _____