

Blu Monster Media and Print Services

STANDARD TERMS AND CONDITIONS

This Agreement contains the entire agreement between Blu Monster Media and Print Services Inc. Corporation and the Customer concerning the production, packaging and delivery of compact discs and other materials (the "Products") from items (including, without limitation, master media, photographs, artwork, label data and packaging materials) delivered to Blu Monster Media and Print Services Inc. by or for the Customer (the "Materials"). This Agreement supersedes all prior oral or written understandings, representations and warranties (including any terms and conditions which may appear on the Customer's order form) between Blu Monster Media and Print Services Inc. and the Customer, and may not be amended except pursuant to a written document signed by both parties.

1. Acceptance.

This Agreement will only be accepted by: (a) written confirmation from an authorized representative of Blu Monster Media and Print Services Inc., or (b) shipment of goods in accordance with the terms set forth herein. Blu Monster Media and Print Services Inc. reserves the right to refuse to accept any purchase order for any reason. The Customer agrees to be bound by all of the terms and conditions set out herein and on the reverse side of this form.

2. Orders.

Prices charged for services and Products provided to the Customer hereunder shall be as agreed upon between Blu Monster Media and Print Services Inc. and the Customer. Orders may not be cancelled by the Customer after Blu Monster Media and Print Services Inc. has begun processing or manufacturing. All shipments of Products will be F.O.B. Blu Monster Media and Print Services Inc., facility and shipping charges and risk of loss or damage in transit shall be the Customer's sole responsibility. Shipment is by regular ground service unless otherwise specified by the Customer. Blu Monster Media and Print Services Inc. reserves the right to make partial shipments. Blu Monster Media and Print Services Inc. reserves the right to produce and charge for production overruns up to 10% over the Customer's order quantity. Blu Monster Media and Print Services Inc. will consider the Customer's order complete upon shipment of 90% or more of the total quantity ordered.

3. Terms of Payment.

Invoices will be issued upon shipment of Products (unless shipment is delayed by the Customer, in which case an invoice will be issued upon the completion of manufacturing). Invoices for services performed by Blu Monster Media and Print Services Inc. hereunder will be issued upon completion of those services. The Customer shall be responsible for all taxes, duties, excises and other charges associated with the production, sale or transportation of Products and performance of services hereunder (other than taxes on Blu Monster Media and Print Services Inc., net income). Unless otherwise noted, payment of invoices is due within thirty (30) days of the invoice date. Claims for adjustments in amounts due to Blu Monster Media and Print Services Inc. must be presented to Blu Monster Media and Print Services Inc. in writing within five (5) days from the date of invoice. If any amount remains outstanding after its due date, interest shall run on that amount from the initial billing date at the rate of 1_% per month (18% per annum) and shall accrue daily. Any credit on the Customer's account must be claimed or used within 12 months from the shipping date of the goods to which the credit relates. Notwithstanding the foregoing, Blu Monster Media and Print Services Inc. may require part or full payment, security or a guarantee of payment in advance of any work or services to be performed or any shipment. Blu Monster Media and Print Services Inc. shall have a security interest in all Products and Materials until all amounts due hereunder are paid in full. Blu Monster Media and Print Services Inc. reserves the right to delay or withhold shipment of any order if payment in full has not been received on any prior order. The Customer agrees to pay all costs, fees, charges and expenses of every nature (including legal fees) incurred by Blu Monster Media and Print Services Inc. in recovering any amounts owed to it by the Customer, whether or not a lawsuit is commenced.

4. License.

The Customer grants Blu Monster Media and Print Services Inc. a non-transferable license to reproduce and distribute copies of Materials to the extent necessary for Blu Monster Media and Print Services Inc. to perform its obligations under this Agreement.

5. Delivery Times.

Unless otherwise agreed by Blu Monster Media and Print Services Inc. in writing, delivery times are estimates and scheduled shipment dates are subject to change.

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6. Warranty, Disclaimer and Limitation of Liability.

Blu Monster Media and Print Services Inc. warrants that the Products will meet Blu Monster Media and Print Services Inc., standard specifications, or such other specifications as are agreed to in writing by Blu Monster Media and Print Services Inc., for a period of one year from the date of shipment by Blu Monster Media and Print Services Inc. As the Customer's sole remedy, and as Blu Monster Media and Print Services Inc., sole liability, for breach of this warranty, Blu Monster Media and Print Services Inc. will, at its option, replace any Products or refund the amount paid by the Customer to Blu Monster Media and Print Services Inc. for any Products that are returned to and found defective by Blu Monster Media and Print Services Inc. **EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS PARAGRAPH, BLU MONSTER MEDIA AND PRINT SERVICES INC. DISCLAIMS ALL WARRANTIES AND CONDITIONS, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OR CONDITION AS TO PERFORMANCE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL BLU MONSTER MEDIA AND PRINT SERVICES INC. BE LIABLE FOR AND THE 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 Agreement and in no event (including, but not limited to, lost data, programs or other information, business interruption, or delay or failure of delivery), shall Blu Monster Media and Print Services Inc., liability to the Customer under any theory exceed the amount paid by the Customer to Blu Monster Media and Print Services Inc. pursuant to Blu Monster Media and Print Services Inc., invoice(s) for the related services or Products. No action, regardless of form, arising out of any claimed breach of this Agreement or transactions under this Agreement may be brought by either party more than one (1) year after the cause of action has accrued.

7. Materials.

The Customer shall retain title to all Materials, including the content of such Materials. The Customer warrants that it owns all Materials or that it has the right and authority to reproduce the Materials and has the right to deliver all Materials to Blu Monster Media and Print Services Inc. The Customer also warrants that it owns all copyright in the contents of the Materials (including without limitation any computer code embedded therein) or has the unrestricted right to permit Blu Monster Media and Print Services Inc. to perform the services requested hereunder. The Customer warrants that the Materials do not contain any obscene or objectionable matter. The Customer agrees to indemnify, defend and hold Blu Monster Media and Print Services Inc. harmless from and against any and all actions, suits, claims, liabilities, damages, losses and expenses (including legal fees) arising directly or indirectly out of or in connection with any claim that the services rendered or Products manufactured under this Agreement violate any law, rule or regulation or violate any rights 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 any third party). If the Customer is to provide artwork to Blu Monster Media and Print Services Inc. in connection with the production of disc label printing or packaging of discs hereunder, such artwork must be received by Blu Monster Media and Print Services Inc. prior to the commencement of work by Blu Monster Media and Print Services Inc. If the Customer is to provide Materials for label printing or the final packaging or compact discs produced hereunder, such Materials must be received by Blu Monster Media and Print Services Inc. not more than one (1) week after the delivery of the applicable master media to Blu Monster Media and Print Services Inc. The Customer is solely responsible for delivering Materials to and retrieving Materials from Blu Monster Media and Print Services Inc. hereunder. At the Customer's request and sole risk, Blu Monster Media and Print Services Inc. will store Materials as long as Blu Monster Media and Print Services Inc. is providing services hereunder, at any place that Blu Monster Media and Print Services Inc. deems appropriate. During such period, a storage charge may be assessed. After such period, a storage charge will be assessed until the Customer retrieves such Materials from Blu Monster Media and Print Services Inc. The Customer is responsible for removal of all Materials within thirty (30) days of notification by Blu Monster Media and Print Services Inc. If the Customer fails to remove Materials, as requested, Blu Monster Media and Print Services Inc. shall have the right to: (i) return the Materials to customer at the address indicated on the last order placed by the Customer, at the Customer's expense, or (ii) destroy, erase, or make any other disposition of such Materials without liability to the Customer or any other person. Any Materials supplied by the customer that require adjustment, modification or additions of any kind by Blu Monster Media and Print Services Inc., will be at the sole risk of the Customer.

8. Prices.

Blu Monster Media and Print Services Inc. reserves the right to change its pricing at anytime without notice.

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STANDARD TERMS AND CONDITIONS, *continued*

9. Tooling, Programs, Specifications and Data.

Blu Monster Media and Print Services Inc. shall retain title to all tooling (including masters, stampers, and other tooling) produced by Blu Monster Media and Print Services Inc. Blu Monster Media and Print Services Inc. shall also retain all rights in computer programs, specifications, or data developed by Blu Monster Media and Print Services Inc. in or for the performance of this Agreement, notwithstanding whether such computer programs, specifications or data were developed by Blu Monster Media and Print Services Inc. for the Customer or otherwise.

10. Export.

The Customer agrees not to export any Product in violation of any export control laws, rules or regulations.

11. Risk of Loss.

The Products shall remain the property of Blu Monster Media and Print Services Inc. until shipment. Products held by Blu Monster Media and Print Services Inc. at the Customer's request shall be held at the Customer's sole risk.

12. Confidentiality.

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

13. Force Majeure.

Blu Monster Media and Print Services Inc. will not be responsible for failure to fulfill its obligations under this Agreement if such failure is caused by circumstances beyond the reasonable control of Blu Monster Media and Print Services Inc. or its suppliers or contractors (including, but not limited to, acts of God, unavailability of materials, equipment failures, strikes or other labour disturbances).

14. Severability.

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

15. Governing Law.

This Agreement shall be governed by and constructed in accordance with the laws of the Province of Ontario. Any suit or action by the Customer against Blu Monster Media and Print Services Inc. shall be brought exclusively in the courts in Toronto, Ontario.

16. Turnaround

Turnaround will commence from the day that the customer approves the proofs. Turnaround times are estimated at 10 business days from the day the proofs are approved.

17. Proofs

The customer will be sent electronic proofs. Once the customer has checked the proofs, the customer must approve the proofs by emailing their approval to approved@blumonster.com. If approval is not sent to this address the proofs will not be considered approved.

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18. Limitation of Liability

Blu Monster Media and Print Services Inc. disclaims any and all implied warranties including all warranties of merchant ability or fitness for a particular purpose. Blu Monster Media and Print Services Inc. shall not be liable under any circumstances for any incidental or consequential loss or damages, including but not limited to loss of profits, and the customer expressly waives any and all claims for any such loss or damages. Blu Monster Media and Print Services Inc. is not liable for freight charges in the event of delayed completion dates. Under no circumstances shall Blu Monster Media and Print Services Inc., liability exceed, nor shall customers available remedies extend beyond, return of the full fees or charges paid for any services provided by Blu Monster Media and Print Services Inc. Blu Monster Media and Print Services Inc. warrants the original CD to acceptable industry standards. This standard does not include cutting the CD. The cut CD therefore does not hold any warranty or guarantee of performance from Blu Monster Media and Print Services Inc. either written or applied.



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