

1. Authorization of work: Morphius Records/MorphiusDisc (hereinafter referred to as "Morphius") will perform work or provide services with respect to any related master material ("Duplication Material"), related packaging material ("Packaging Material"), and/or films, screens or other related labeling material ("Labeling Material") (together referred to herein as "Duplication, Packaging, or Labeling Material"), only upon receipt at its offices of a purchase order or written authorization relating to such work or services signed by the Owner of such material or his duly authorized representatives (and a certificate of tax exemption, where applicable).

2. Morphius reserves the right, except where otherwise noted in writing, or by specific individual approval given in writing to customer, to produce and bill for production overruns of up to ten percent over the Customer's order for Product. Morphius will consider complete any order request for which at least 90% (ninety percent) of requested order quantity has been filled.

3. License of Master Recordings and Materials: Customer hereby grants to Morphius non-exclusive license to manufacture product(s) provided and identified on this order, and license to use any related photographs, biographical material, label data, album cover artwork, or any other materials provided to Morphius, thereunder by Customer, for the purpose of manufacturing and related tasks.

4. Pricing & Shipping Terms: All prices are FOB from point of shipment to Customer location. Shipping quotations given by Morphius are via regular ground service unless otherwise requested by Customer and specified by Morphius on a written shipping estimate. Morphius is not responsible for loss or damage of products which have left our premises (or the premises of our subcontractors) en route to Customer (via the properly specified shipping method), as requested or agreed upon by Customer.

5. Terms of Payment: All amounts are due according to the payment terms stated, which may include the provision of a Letter of Credit in form and substance satisfactory to Morphius. Morphius reserves the right, among other rights and remedies maintained, to terminate such agreement regarding "credit terms" or to suspend further deliveries upon failure of Customer to make any payment as herein provided. Should any amount remain outstanding after its due date, interest shall run on said amount from the initial billing date at a rate of 2 percent per month (24% per annum) and shall accrue daily. Notwithstanding the foregoing, Morphius may, at its sole discretion, require part or full payment in advance for any work or services to be performed, or may require such security or guarantee of payments as it may in its sole discretion see fit.

6. In addition to the foregoing, Customer shall be required to pay or defray any and all costs, fees, charges, or expenses of every nature (expressly including reasonable legal and travel fees) which are incurred by Morphius for the purposes of recovering any amounts owed to Morphius by the Customer.

7. Payment by credit card: Customers paying by credit card shall pay 75% of their balance in advance as deposit for the commencement of their order. Remaining balances shall be paid prior to shipment of product. Customers paying by credit card understand that return of product does not in any way entitle Customer to a refund of any kind and that our sole Warranty of Product is detailed in Paragraph 9. Any discounted pricing or "price matching" offered to Customer is inclusive of a 3% discount which assumes payment by check, money order, or cash. Payments made by credit card are not eligible for this discount except where otherwise specified in writing and, as such, will incur a 3% surcharge.

8. In addition to the purchase price, Customer shall pay Morphius all appropriate amounts due for governmental taxes, excises, and/or duties (excepting taxes on or measured by net income) that Morphius may be required to pay with respect to production, sale & transportation of any Duplication, Packaging or Labeling Material, or Product delivered thereunder, except where law otherwise provides.

9. Morphius Records Warranty Of Product: The following warranty is the sole warranty given by Morphius to Customer in respect of the work or services to be performed or provided by Morphius and excludes the application of any other warranty or guarantee of any nature whatsoever, whether legal, conventional or customary. Morphius warrants that material produced by Morphius ("Product") from or through the use of Duplication, Packaging, or Labeling Material which is found to be defective in quality, or is shipped or labeled in error, will be repaired or replaced by Morphius at its own expense; or any shipping errors will be remedied given shipment in error by Morphius by its own expense, on the conditions that A) written notice of such defect or error is received by Morphius at its office within ten days of the arrival of "Product" at its destination; and B) defect or error was not the result of a defect or error in the Duplication, Packaging, and/or Labeling Material supplied by or on behalf of Customer. If notice has not been received by Morphius within the delay indicated above, Morphius will be deemed to be released from any and all liability. Customer shall return any defective Product if requested by Morphius to do so, for the purposes of defect verification. The liability of Morphius for breach of warranty thereunder shall be limited solely to the replacement or repair, whichever the case may be, of defective Product. Any such defective Product shall be returned to Morphius, or to any licensed dealer supplier, or plant of Morphius, as specified by a Morphius agent for such purposes of verification and/or repair as required. **THE FOREGOING WARRANTIES ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES (WHETHER WRITTEN, ORAL, OR IMPLIED) INCLUDING WARRANTY OF MERCHANTABILITY IN OTHER RESPECTS THAN THOSE EXPRESSLY SET FORTH HERE AND WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.**

10. Storage of Duplication, Packaging, and Labeling Material: Morphius will store Duplication, Packaging, and Labeling Material without charge to Customer for a maximum of 1 year following last order placed by Customer. Without prejudice to any other rights which Morphius might possess under these terms and conditions, Morphius may, at its option, after the expiration of said one year period and after having given thirty days written notice to Customer a) return Duplication,

Packaging and/or Labeling Material to Customer at the address indicated on the last order placed by Customer at the Customer's expense; or b) Store the Duplication Material, Packaging Material and/or Labeling Material at the Customer's expense, subject to such storage charges as Morphius from time to time may determine; or c) Destroy the Duplication Material, Packaging Material, and/or Labeling Material in whole without any liability on the part of Morphius. Customer property stored on our premises or those of our contracted agents is not insured and shall be stored strictly at the risk of Customer.

11. Delivery: Unless stated on order, and agreed upon in writing by an authorized Morphius agent, all delivery times are estimates. Morphius is not responsible for errors in delivery by any and all contracted shipping companies.

12. Manufactured Product which must be stored by Morphius for a period of more than one month while awaiting payment shall accrue storage fees of \$0.025 per packaged unit per month. Bulk CDs will be charged at \$0.0125 per CD per month. Other Product (e.g. Double, CDs, vinyl records, VHS, DVD products/posters, etc) will be charged on a pro-rata basis based on item weight ratio to average weight of a single packaged CD.

13. Termination: Customer orders for products not yet manufactured by Morphius may be terminated by either party upon 30 days written notice. Customer will be responsible for all costs incurred by Morphius related to pre-manufacturing or manufacturing of any and all Products ordered by Customer, prior to written receipt of such notice of termination. After such termination, Customer's original materials and/or any completed product may be delivered to Customer only after all sums owed to Morphius have been paid in full by certified funds.

14. Limitation of Liability: Any or all work performed by Morphius for the benefit of Customer is performed at the sole risk of Customer. Except as expressly set forth above, Morphius does not in any way warrant or guarantee and is in no way responsible for the quality of service provided by Morphius or the results of any work or services provided by Morphius or any delays in providing such services or any damages or loss of any kind (including loss, destruction, or partial or full deterioration of Duplication, Packaging, or Labeling Material) due to any cause whatsoever, including, without limiting the generality of the foregoing, damages due to: the method of work employed by Morphius; the quality of services provided by Morphius; negligence or error by Morphius or any of its employees; faulty maintenance, defective machinery or faulty equipment, notwithstanding the fact that Morphius should be aware of the foregoing; and fire, theft, vandalism, or any fortuitous event or force majeure or other event outside the control of Morphius Records. Moreover, Morphius is not responsible for any loss of revenue or profit or other financial damages of any kind whatsoever, whether direct or indirect, suffered by Customer for any reason(s) referred to above. Customer shall indemnify and hold Morphius harmless from and against any damage, loss, liability or expense claimed by a third party arising from any cause whatsoever, including negligence on the part of Morphius. Morphius shall not be liable under any circumstance for consequential or incidental damages or lost profits.

15. Representations & Warranties of Customer: Customer represents and warrants, throughout any period of time in which services of Morphius are required, that it is the sole owner of any Duplication, Packaging, and Labeling Material remitted to Morphius and that it has the right and authority to reproduce said Duplication, Packaging, and Labeling Material. Customer further represents & warrants that any work performed on said Duplication, Packaging, or Labeling Material by Morphius will not constitute a breach of ownership rights or an infringement of any patent, trademark copyright or service mark or copyright of any third party, wherever located. If so requested, Customer shall remit to Morphius written evidence of its rights in accordance with the requirements of applicable laws. Customer shall indemnify and hold Morphius harmless from & against damage, loss/claim/liability/expense arising out of any breach of above-stated representations & warranties.

16. Security: As security for any and all amounts owed by Customer to Morphius, Customer shall be deemed to have pledged to Morphius all Duplication, Packaging, Labeling Material and Product ("Pledged Property"), whether or not said amounts are related to work or services performed with respect to the Pledged Property. In the event of a default of payment in accordance with the terms in Paragraph 5, Morphius Records shall be entitled to retain or sell off currently held stock of the Pledged Property as a holder of a security interest under the Uniform Commercial Code or any other applicable law.

17. Credit Approval: Shipments, deliveries, and performance of work shall at all times be subject to approval of Morphius Records' credit department. Morphius Records may at any time decline to complete work except upon receipt of payment or upon terms and conditions satisfactory to such department.

18. Force Majeure: Neither party shall be liable for its failure to perform thereunder due to any contingency beyond its reasonable control, including, without limitation, delays by subcontractors or suppliers. The party whose performance is prevented by such contingency shall have the right to omit during the period, whereupon the total quantity deliverable under this Agreement shall be reduced by the quantity so omitted. If, due to any such occurrence, Morphius Records is unable to supply the total demands for any Product specified in this agreement, Morphius Records shall have the right to allocate its available supply among its Customers in a fair and equitable manner. In no event shall Morphius Records be obligated to purchase materials from other vendors (other than its normally specified vendors for various services) in order to enable Morphius Records to deliver Product to the Customer.

19. Miscellaneous: Our Standard Terms & Condition of Manufacturing may not be modified orally; no waiver, amendment, or modification shall be binding or effective unless in writing & signed by the part to be bound.

TERMS & CONDITIONS

Customer submission to Morphius of a purchase order or parts for manufacturing constitutes full acceptance of these TERMS OF MANUFACTURING by Customer. Any alteration of these terms must be specified in writing prior to order. On certain orders, customer may be required to submit a signed copy of our current TERMS OF MANUFACTURING.

SIGNATURE _____ (SEAL) Agreed and Accepted this _____ day of _____, 19 _____

on behalf of (Company name, principal officer/agent/owner, official company address, tax i.d.#) _____
(leave blank any item not applicable)

