



Terms and Conditions

1. CHARGES AND RATES:

Charges for all FACILITIES, EQUIPMENT, MATERIALS, AND SERVICES provided by Duplication Factory, LLC shall be in accordance with Duplication Factory, LLC price list unless otherwise agreed in writing. Duplication Factory, LLC prices are subject to change without notice. Duplication Factory LLC reserves the right to include in its price list and invoices a markup on any cost of rentals, materials, and services obtained on behalf of a Client.

1. TERMS OF PAYMENT:

All work is accepted on a C.O.D. basis unless credit is arranged in advance. If credit has been arranged, client agrees to pay all charges for facilities, equipment, materials, and labor within approved terms after an invoice is rendered. Client agrees to pay a late payment charge of 1 ½ % per month of all sums, which are not paid when due. Client agrees to pay Duplication Factory, LLC all costs of collection, including attorney's fees, in the event it becomes necessary to effect collection of any sums due to Duplication Factory, LLC from Client, whether or not a lawsuit is filed.

2. ADJUSTMENT CLAIMS:

All facilities, equipment, materials, and services judged defective by Client must be returned to Duplication Factory, LLC at Client's sole expense within 30 days of the date of the invoice. If no claim is made within that period, the quantities delivered and amounts due shown on the invoice shall be final and conclusive.

3. OWNERSHIP:

The term "materials" as used herein shall include, without limitation, all videotapes, disks, artwork, audiotapes, or other tapes, whether master tapes or duplicates, and all other film, whether negatives or positives, originals or intermediates, prints or separations, and all sound tracks.

Client warrants that it is the sole owner and or has the right to possession and use of all materials delivered to Duplication Factory, LLC by Client for Client's account for storage, developing, printing, dubbing, transferring, or processing of any kind; that Client is now and at all times during the term of this Agreement will be the sole owner and or sole proprietor of all rights to possession and use of the materials, including without limitation, the copyright therein, the music, television, motion picture, literary, paperback, book, and dramatic rights. As long as Client is indebted to Duplication Factory, LLC or any materials of Client are in the custody or possession of Duplication Factory, LLC Client agrees not to pledge, hypothecate, assign, or otherwise encumber said materials or rights without the prior written consent to Duplication Factory, LLC. No processing, dubbing, or other work which is to be billed to a third party will be accepted by Duplication Factory, LLC without prior written instructions from Client and prior written authorization from said third party.

Client shall indemnify and hold Duplication Factory, LLC harmless from all liability arising out of or in connection with the publication, processing, use distribution, contents, or exhibition of materials delivered by Duplication Factory, LLC including without limitation any liability for libel, slander, defamation, invasion of privacy, or infringement of patent, copyright, trademark, or other proprietary right. Client further agrees to bear all attorney's fees and costs incurred in the defense of Duplication Factory, LLC by counsel selected by Duplication Factory, LLC from any action or proceedings arising from such liability.

4. LIEN AND SECURITY INTEREST:

Duplication Factory, LLC shall have a lien on and Client grants. Duplication Factory, LLC a security interest in all materials either provided by or ordered by Client [including Client's master tape(s)] Until the balance of any Client account due Duplication Factory, LLC is paid in full. In addition, Client grants Duplication Factory, LLC the right to make and sell copies from Client's master tape(s) and to convert to cash upon giving the notice required by law all materials in Duplication Factory, LLC possession if charges remain unpaid for 90 days.

5. PRICE QUOTATIONS:

All written quotation of prices provided by Duplication Factory, LLC shall be valid for 90 days from date of submission by Duplication Factory, LLC to Client. Verbal quotations are provided as a convenience and shall not imply a binding contract.

6. TAXES:

Client shall pay any taxes levied on or associated with the services provided in accordance with this Agreement, including without limitation any local, state, federal, or other government charges for sales, manufacturing, excise and like taxes.

7. DUPLICATION FACTORY, LLC. LIABILITY:

Because Duplication Factory, LLC prices are not proportionate to the value of the materials (such as masters) delivered to it, Client's masters are received, processed, and stored by Duplication Factory, LLC solely at Client's risk, and Duplication Factory, LLC shall not be liable or responsible for loss, damage, or destruction of such masters. CLIENT SHALL RETAIN DUPLICATE COPIES OF ALL MASTERS AND SHALL INSURE ALL MASTERS DELIVERED TO OR DEPOSITED WITH DUPLICATION FACTORY, LLC AGAINST ALL RISKS OF LOSS, DAMAGE, OR DESTRUCTION. In no event shall Duplication Factory, LLC be liable for the loss or damage of any materials or tape delivered to it by or for the account of Client for any amount in excess of the replacement value of the raw stock of the material delivered to Duplication Factory, LLC.

In the event that any mechanical breakdown or failures should result in unsatisfactory completion of the work, at the sole determination of Duplication Factory, LLC exclusive obligation and liability to Client shall be the provision of the same work without additional charge. Duplication Factory, LLC expressly disclaims any implied warranty of merchantability or fitness for a particular purpose with respect to any services rendered in connection with this Agreement. In no event shall Duplication Factory, LLC be liable for any consequential damage.

8. CLIENT INDEMNIFICATION:

Client expressly represents and warrants that the videotape, or other materials delivered to Duplication Factory, LLC do not in any way defame or violate or infringe any copyright, civil right of privacy, or any other right of any person, firm or corporation. Client further expressly warrants that the videotape, or other materials delivered to Duplication Factory, LLC are not obscene or otherwise violative of state or federal statutes. Duplication Factory, LLC shall not and shall be under no obligation to inspect any materials delivered to it by Client nor make any inquires regarding the legality of same and Duplication Factory, LLC shall be entitled to rely on all representations and warranties made by Client agrees to indemnify Duplication Factory, LLC is directors, officers, employees, and agents against and hold each of them harmless from any and all claims, damages, costs, and expenses of any nature, including attorney's fees and costs, incurred by Duplication Factory, LLC by reason of any breach or alleged breach of any representation, warranty, or agreement herein made by Client. Client shall indemnify and hold harmless Duplication Factory, LLC from all claims, liabilities, costs (including attorney's fee), and damages arising out of Duplication Factory, LLC disposition, publication, use, distribution, or exhibition of Client's materials.

9. CANCELLATION OF CHARGES:

In the event Client fails to cancel an order prior Duplication Factory, LLC commencement of work on the order, Client shall be charged 50% of the written quoted price for the order provided by Duplication Factory, LLC to Client. Duplication Factory, LLC shall retain any element produced by it under a cancelled order.

10. SHIPPING AND DELIVERY:

Delivery dates and/or shipping dates are approximate. Duplication Factory, LLC shall not be liable to Client or any other person for any losses, damage (incidental or consequential) liability, or delay in delivery or shipping, nor shall any such delay constitute grounds for cancellation. Client shall insure itself against such losses, damages and delays.

11. SHIPPING AND DELIVERY:

Delivery dates and/or shipping dates are approximate. Duplication Factory, LLC shall not be liable to Client or any other person for any losses, damage (incidental or consequential) liability, or delay in delivery or shipping, nor shall any such delay constitute grounds for cancellation. Client shall insure itself against such losses, damages and delays.



Terms and Conditions cont....

12. ASSIGNMENT:

This Agreement shall not be assigned or transferred by Client without the prior written approval of Duplication Factory, LLC. Duplication Factory, LLC reserves the right to subcontract all or any part of the work ordered by Client.

13. GOVERNING LAW:

These terms and conditions shall be construed and governed by the laws of the State of Minnesota applicable to contracts entered into Minnesota between Minnesota residents and to be performed wholly in Minnesota.

14. NOTICES:

Any notices or communications to Client by Duplication Factory, LLC shall be deemed to have been duly given when deposited in the United States mail with postage prepaid to Client at the address shown as the Client's address in Duplication Factory, LLC records. Client may change the address at which it desires to receive such notices by giving written notice of such changes to Duplication Factory, LLC.

15. PARTIAL INVALIDITY:

In the event that any portion of these terms and conditions shall be held to be invalid or unenforceable, the remaining terms and conditions shall nevertheless remain in full force and effect as though the invalid and unenforceable portion were not included.

16. NO WAIVER:

The failure of Duplication Factory, LLC to insist upon Client's performance of any of Client's obligations hereunder shall not be construed as a waiver of the breach of any other obligation of Client or of any subsequent breach of such obligation. The failure of Duplication Factory, LLC to exercise any right or remedy which Duplication Factory, LLC may have hereunder or under the law shall not be construed as a waiver of any other right or remedy which Duplication Factory, LLC may have hereunder or under the law.

17. CLIENT'S DEFAULT:

Upon Client's failure to pay Duplication Factory, LLC any amount when due. Duplication Factory, LLC shall have all rights and remedies available to it at law or equity arising from its performance of services for Client and its possession of, lien on, and security interest in Client's master tape(s) and any other materials either provided by or ordered by Client.

18. REMEDIES:

Any right and remedy belonging to Duplication Factory, LLC hereunder or under the law shall be deemed cumulative and not exclusive of one another and the exercise by Duplication Factory, LLC of any such right or remedy shall not preclude Duplication Factory, LLC from exercising or enforcing any other right or remedy it may have.

19. MODIFICATION OF TERMS AND CONDITIONS:

THESE TERMS AND CONDITIONS CAN ONLY BE MODIFIED BY AN INSTRUMENT IN WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF DUPLICATION FACTORY, LLC AND CLIENT.



Credit Application

SOLD TO:

LEGAL NAME _____
 DBA _____
 ADDRESS _____
 CITY _____
 STATE _____
 PHONE# () _____ FAX# () _____
 Attention _____

BILL TO:

NAME _____
 ADDRESS _____
 CITY _____
 STATE _____
 PHONE# () _____ FAX# () _____
 Attention _____

CORPORATION PARTNERSHIP PROPRIETORSHIP TAXABLE TAX EXEMPT-ATTACH EXEMPTION CERTIFICATE

ACCOUNTS PAYABLE MANAGER'S OR
 BOOKKEEPERS'S NAME _____
 PHONE# () _____

BUYER'S NAME _____
 PHONE# () _____

ANNUAL SALES VOLUME	YTD SALES	INVENTORY	NET WORTH	EXPECTED MONTHLY PURCHASES
FEDERAL I.D.#	FINANCIAL STATEMENT ATTACHED FINANCIAL STATEMENT <input type="checkbox"/> YES <input type="checkbox"/> NO REQUIRED FOR \$ 10,000 CREDIT		DUNS#	PRIMARY BUSINESS EXPLAIN

CURRENT SOURCE OF DUPLICATION:

CREDIT REFERENCE (List minimum of four – No Office Supply or credit card Companies please.)

NAME _____
 ADDRESS _____
 CITY _____ STATE _____ ZIP _____
 PHONE# () _____ CONTACT _____
 FAX# () _____
 ANNUAL PURCHASE VOLUME _____
 NAME _____
 ADDRESS _____
 CITY _____ STATE _____ ZIP _____
 PHONE# () _____ CONTACT _____
 FAX# () _____
 ANNUAL PURCHASE VOLUME _____

NAME _____
 ADDRESS _____
 CITY _____ STATE _____ ZIP _____
 PHONE# () _____ CONTACT _____
 FAX# () _____
 ANNUAL PURCHASE VOLUME _____
 NAME _____
 ADDRESS _____
 CITY _____ STATE _____ ZIP _____
 PHONE# () _____ CONTACT _____
 FAX# () _____
 ANNUAL PURCHASE VOLUME _____

BANK REFERENCE

BANK NAME _____
 BANK OFFICER _____
 ADDRESS CITY _____ STATE _____ ZIP _____
 PHONE# () _____
 FAX# () _____
 CHECKING ACCOUNT# _____
 SAVINGS ACCOUNT# _____

BANK NAME _____
 BANK OFFICER _____
 ADDRESS CITY _____ STATE _____ ZIP _____
 PHONE# () _____
 FAX# () _____
 CHECKING ACCOUNT# _____
 SAVINGS ACCOUNT# _____



Credit Application

CORPORATION ONLY:

INCORPORATED IN STATE OF _____
 DATE OF INCORPORATION _____
 PRIVATELY HELD PUBLICLY HELD _____
 PRESIDENT'S NAME _____
 SOCIAL SECURITY # _____
 HOME ADDRESS _____
 CITY _____ STATE _____ ZIP _____
 PHONE# () _____
 V.PRESIDENT'S NAME _____
 SECRETARY'S NAME _____
 TREASURE'S NAME _____
 MAJOR STOCKHOLDERS _____

NAME _____ % OWNED _____
 NAME _____ % OWNED _____
 NAME _____ % OWNED _____
 NAME _____ % OWNED _____

PARTNER'S ONLY:

PARTNER'S NAME _____
 SOCIAL SECURITY# _____
 HOME ADDRESS _____
 CITY _____ STATE _____ ZIP _____
 PHONE# () _____ % OWNED _____
 PARTNER'S NAME _____
 SOCIAL SECURITY# _____
 HOME ADDRESS _____
 CITY _____ STATE _____ ZIP _____
 PHONE# () _____ % OWNED _____

If more than two partners attach full details.

PROPRIETORSHIP (SOLE OWNER) OWNER:

OWNER'S NAME _____
 SOCIAL SECURITY# _____
 HOME ADDRESS _____
 CITY _____ STATE _____ ZIP _____
 PHONE# () _____

HAVE YOU EVER DONE BUSINESS WITH DUPLICATION FACTORY, LLC BEFORE? YES NO
 IF YES -- UNDER WHAT NAME AND WHEN _____
 ARE YOU CURRENTLY INVOLVED IN ANY LAWSUITS? YES NO
 WERE YOU EVER INVOLVED IN A BANKRUPTCY PROCEEDING? YES NO
 WILL YOU ACCEPT C.O.D. SHIPMENTS PENDING CREDIT INVESTIGATIONS? YES NO

ALL CREDIT APPLICATIONS ARE SUBJECT TO DUPLICATION FACTORY, LLC CREDIT DEPARTMENTS'S APPROVAL AND NO CREDIT WILL BE EXTENDED WITHOUT SUCH APPROVAL. DUPLICATION FACTORY, LLC RESERVES THE RIGHT TO CHANGE CUSTOMER CREDIT LIMIT FROM TIME TO TIME AND RESERVES THE RIGHT TO SUSPEND OR TERMINATE CUSTOMER'S CREDIT ANT ANY TIME THAT CUSTOMER'S CREDIT BECOMES IN DUPLICATION FACTORY, LLC SOLE DISCRETION IMPARIED.

BY SIGNING THIS APPLICATION, APPLICANT IS CERTIFYING THAT ALL THE INFORMATION ON THIS FORM IS CORRECT; AND APPLICANT HEREBY CONSENTS TO DUPLICATION FACTORY, LLC CONTACTING ANY REFERENCE AND OBTAINING ANY CREDIT INFORMATION AS IT BELIEVES NECESSARY TO ASCERTAIN APPLICANT'S CREDIT.

APPLICANT AGREES TO THE TERMS AND CONDITIONS AS SET FORTH ON THE APPLICATION AND FULLY UNDERSTANDS THEM. APPLICANT FURTHER UNDERSTANDS THAT ALL PAST DUE BALANCES MAY BE PLACED FOR COLLECTION AT THE APPLICANT'S EXPENSE AND A SERVICE CHARGE OF 1 1/2% PER MONTH (18% ANNUALLY) WILL BE CHARGED. ALL TRANSACTIONS ARE SUBJECT TO THE TERMS AND CONDITIONS PRINTED ON THE APPLICATION.

APPLICANT AGREES THAT A COPY OF THE SIGNED ORIGINAL OF THIS AGREEMENT TRANSMITTED BY FACSIMILE TO DUPLICATION FACTORY, LLC SHALL BE BINDING ON APPLICANT AND HAVE THE SAME FORCE AND EFFECTS AS THE SIGNED ORIGINAL.

DUPLICATION FACTORY LLC
 SALES REP. SIGNATURE _____
 DATE _____

CUSTOMER'S SIGNATURE _____
 TITLE _____ DATE _____

FOR OFFICE USE ONLY:

SALES REP _____
 CREDIT REQUESTED _____
 DATE APPROVED _____

CREDIT LIMIT _____
 TERMS _____
 MISC _____



Credit Application

Dear Associate:

The following is a credit application for the Duplication Factory per your request. Please take a few moments to complete all sections and sign the application. You may fax the completed application to the attention of Credit Department at 952-448-3983. However, the original, signed document must be submitted to the Duplication Factory prior to credit approval.

To expedite your credit request, please include your Dun & Bradstreet number and fax numbers for all references. Please allow a minimum of 5 days for approval.

It is our pleasure to serve you, and we look forward to a mutually beneficial relationship.

Best regards,

R. Peter Hentges
CFO
Duplication Factory, LLC