

NON-EXCLUSIVE LICENSE AGREEMENT
FOR USE OF COPYRIGHT MATERIAL

Dated

Between
(the "Licensor")

(name):

of (address).....

and
Keith Nolan Music
trading as

Keith Nolan Music
of (address)
(the "Licensee").

RECITALS:

(1) The Licensee is Keith Nolan Music whose service comprises Internet promotion and sale of US and international music and music-related products, as well as manufacturing and sale of DVD's .

(2) The Licensor has agreed to grant a non-exclusive license to the Licensee for the Licensed Master(s), as listed in Schedule A, for which the Licensor owns or controls all rights throughout the world, for the duration of this Agreement.

DEFINITIONS:

"Artist(s)"
means the Artist(s) as listed in Schedule A.

"Internet"
means the world-wide connection of computer networks providing for the transmission of electronic mail, on-line information, information retrieval and file transfer protocol.

"Licensed Master(s)"
means the sound recording(s) embodying musical work, as listed in Schedule A.

"Net Retail Price"

means the retail price per minute of music or part thereof, less calculated sales tax, if applicable.

"Net Sales"

means gross sales less expenses for manufacturing, shipping and sales tax (if applicable), and less returns and credits of any nature, including but not limited to defective merchandise, errors in billing and errors in shipment.

"PPD"

means the Licensee's Published Price to Dealer.

"Pro-Rata Share"

means the total timing in seconds of the Licensed Master(s) of the Licensor reproduced on a DVD divided by the total timing in seconds on the DVD's (as a percentage).

"Publication"

means any material published in any medium, including the Internet, for the purposes of the Licensee's web site business.

"Web Site"

means the web sites of the Licensee which addresses are currently () , and () but which addresses may change from time to time.

TERMS AND CONDITIONS:

The parties hereby agree as follows:

1. Term

The Licensee shall be entitled to exercise the rights granted hereunder for DVD distribution containing any of the Licensed Master(s) sold via all Distribution Channels for 3 (three) years from the date of the Amendment. The term of three years shall automatically be renewed unless terminated by either the Licensor or the Licensee giving not less than 6 months notice before the end of the term in writing to the other party (the Term).

2. Territory

The licensed territory for the Agreement is the world (the Territory).

3. Rights Granted

The Licensor hereby grants to the Licensee a non-exclusive license for the term of this Agreement throughout the Territory to do those things set out in section 85 of the Copyright Act 1968 (C.th) and specifically without limiting the generality of the foregoing:

(a) The right to digitize the Licensed Master(s) and upload up to 60 second lasting segments of the Licensed Master(s) listed in Schedule A onto the Licensee's Web Site.

(b) The right to manufacture, create, distribute, advertise, sell and promote DVD's containing any of the Licensed Master(s) via the Internet and Traditional Distribution Channels.

(c) The right to use the names, likenesses, photographs and biographies of the Artists whose performance is embodied in the Licensed Master(s) in connection with the advertising, promotion, publicizing or sale of DVD's.

(d) The right to use the Licensed Master(s), or part thereof, to promote the Licensor and the Licensed Master(s) in any medium, including any material published on the Internet.

(e) The right to authorize public performance, broadcasting and inclusion in a cable program service of the Licensed Master(s), subject always to the rights of the owners and controllers of the copyright in the music and lyrics embodied in the Licensed Master(s), and
to the extent permitted by the applicable laws of the Territory.

(f) The right to synchronize the Licensed Master(s) with visual images such as in films, video games, TV commercials, subject always to the rights of the owners and controllers of the copyright in the music and lyrics embodied in the Licensed Master(s). The Licensee shall inform the Licensor the detail and subject of each such synchronization license, which needs prior written approval by the Licensor.

4. Supply of Licensed Master(s)

Within two weeks of the execution of this Agreement, the Licensor shall deliver the Licensed Master(s) in a digital format such as CD, AIFF or WAV file, or any other digital format which may become known, and of suitable quality to Licensee, together with, if requested and reasonably available, copies of such publicity and advertising material as the Licensor has in its possession or control in relation to the Artists and the Licensed Master(s).

5. Use of Licensee's Publication

The Licensor will not duplicate, or authorize any third party to duplicate, any Publication created by the Licensee for the purpose of the web site business and promotion, without the prior written approval of Licensee.

6. Licensee Obligations

The Licensee undertakes to make each Licensed Master listed in Schedule A of the Agreement available for sale from the Web Site via the Internet and via traditional channels within a reasonable time.

The Licensee will make sure that segments of the Licensed Master(s) are downloaded on the customer's computer temporarily, and will disappear automatically when the customer leaves the Licensee's Web Site.

7. Credit

The Licensee shall credit the Licensor on the sleeve and/or label of DVD's embodying the Licensed Master(s), based on the information given in Schedule A. No inadvertent failure to accord credit shall constitute a breach of this Agreement by the Licensee.

8. Payments

8.1. Royalty

In consideration of the license and rights granted by the Licensor in clause 3. to the Licensee, the Licensee shall pay to the Licensor

(a) As to Licensed Master(s) which are licensed to third parties, after a deduction of 15% of the net amount received by the Licensee, a royalty of 50% of the remaining amount.

(d) As to the synchronization right of Licensed Master(s), after a deduction of 15% of the net amount received by the Licensee, a royalty of 50% of the remaining amount.

Computing the number of music tracks sold, the Licensee shall have the right to deduct returns and credits of any nature, including but without limitation, those on account of defective merchandise, errors in billing and errors in shipment when calculating the royalties due.

8.2. No royalties shall be payable to the Licensor for:

(a) DVD's embodying the Licensed Master(s) which are distributed in reasonable quantities free of charge or at as part of an introductory or other such offer, including but not limited to "free" and "bonus" records.

(b) DVD's embodying the Licensed Master(s) or parts thereof, distributed in reasonable quantities for promotional purposes to radio stations, television stations or networks, record reviewers or other customary recipients of promotional records or on records furnished on a so-called "free" basis to distributors, sub-distributors, dealers or others.

(c) The segment of up to 60 seconds of the Licensed Master(s) which is uploaded onto the Licensee's Web Site, and made available to the Internet Public, solely for the purpose of presentation.

8.3. Mechanical Royalty

The Licensee shall pay directly to Licensor, with respect to each Licensed Master(s) included in a DVD, as follows:

(a) for sales via the Internet a mechanical royalty of an amount equal to its Pro-Rate Share of 6% of the Net Retail Price of the DVD embodying the Licensed Master(s).

(b) for sales via Traditional Distribution Channels a mechanical royalty of an amount equal to its Pro-Rate Share of 8.7% of the PPD (= Published Price to Dealer).

This preceding royalty shall only be payable for DVD's which are royalty-bearing in accordance with paragraph 8.1. above, and such royalty shall be reduced in the same manner as the royalties are reduced pursuant to paragraphs 8.1. and 8.2.

If the Licensor is a member of BMI, ASCAP, SESAC or of any other Copyright Owners' Society, and this society does not allow the Licensee to pay mechanical royalties directly to the Licensor, the Licensee will forward these royalties to any of the above mentioned "Copyright Owners' Society".

If the Licensor is not the copyright proprietor of the musical material embodied in the Licensed Master(s), the Licensee shall pay mechanical royalties to the copyright proprietors, their duly authorized agents, publishers or collection societies.

8.4. Reserves

In the case of a DVD, manufactured in quantities greater than five hundred (500), the Licensee may establish a reasonable reserve of no more than 30% for return of DVD's shipped and the Licensee shall have the right to hold this reserve. Reserves will be liquidated after four

accounting periods.

9. Account Statements

The Licensee shall account to the Licensor bi-annually in arrears and shall supply the Licensor with a royalty statement showing in reasonable detail all sums received by the Licensee in relation to the Licensed Master(s), and the calculation of royalties due to the Licensor. Royalty statements will be sent to the Licensor within 60 (sixty) days of the end of each accounting period together with payment of sums due if the total sum is more than \$100. Any amount less than \$100 will be held until the next statement.

All royalty statements shall be binding on the Licensor unless the Licensor gives the Licensee notice in writing specifying its objection within one year from the date the statement is rendered, or one year following the Licensor's completion of any audit in respect of that particular statement.

The Licensor will have the right to inspect on reasonable notice the Licensee's accounts, but not more than once in each calendar year and at the Licensor's sole costs. In the event that such inspection reveals an underpayment, the Licensee will make good the underpayment forthwith. Payments of more than \$ 100.00 will be made within one month, payments of less than \$ 100.00 are held for distribution with the next statement due.

10. Representations and Warranties of Licensor

The Licensor represents, warrants and agrees that:

- (a) The Licensor has all necessary authorization to enter into this Agreement and to fully perform the terms of this Agreement.
- (b) The Licensor is the copyright owner of the Licensed Master(s).
- (c) All necessary permissions for the recording, the reproduction and the licensing to the Licensee of all Licensed Masters have been obtained by Licensor.
- (d) All fees and other payments resulting from the recording and creation of the Licensed Masters, including payments to performers, producers and other licensors, have been fully and completely paid by the Licensor to, or waived in writing by, every person entitled to any such payment.
- (e) The Licensor has all rights necessary to digitize, manufacture, advertise, sell or distribute the Licensed Master(s) for the Territory.

(f) The Licensor agrees to indemnify, save and hold Licensee harmless of all loss and damage (including reasonable legal fees) arising out of any claim by any third parties which is inconsistent with any of the warranties or representations made by the Licensor herein. The Licensor agrees to reimburse the Licensee for any payment made by the Licensee at any time after the date hereof with respect to any liability or claim. Pending the determination of any such claim, the Licensee may withhold sums due to the Licensor hereunder in an amount consistent with such claim.

(g) The information provided by the Licensor in Schedule A is true and correct.

11. Right of Termination

If either party shall default in the performance of a material term of this Agreement, the other party shall give notice in writing. If such default is not cured within thirty (30) days of receipt of such notice, then the party claiming such default may, in addition to all other rights or remedies, terminate the Agreement.

Within two months of receipt of any such notice:

(a) the Licensee will remove from the Web Site any Publication created for the purpose of sales, together with any listing of a Licensed Master(s) available for sale, and delete all copies of the Licensed Master(s) in its possession or under its control.

(b) the Licensor agrees that the DVD containing any of the Licensed Master(s) will continue to be delivered to any customer who has made an order through the Internet Web Site prior to removal of the Licensed Master(s).

Upon the termination of the Agreement, the Licensee shall continue to have the non-exclusive right to sell remaining stock of the manufactured Compilation Albums containing the Licensed Master(s), and shall continue to account royalties as stated in paragraphs 8 and 9.

12. Governing Law

The Agreement is governed by the laws of the United States of America and Thailand.

Dispute Resolution:

All disputes arising out of this Agreement shall be submitted to mediation in accordance with the rules of (), prior to having recourse to arbitration or litigation.

13. Assignment

This Agreement shall benefit and be binding upon the parties and their respective successors and assignees. No assignment, however, shall relieve either party of their respective obligations and the assigning party shall be liable, secondarily, for the performance thereof. Nothing contained in this Agreement shall prevent the Licensee from licensing or sublicensing its rights hereunder in the ordinary course of business.

14. Notices

All notices required to be given to a party may be sent by post or electronic mail.

Notices to the Licensee or the Licensor shall be sent to their respective postal or e-mail addresses. If any address changes the party shall inform the other in writing.

Notices to postal addresses shall be sent by recorded delivery post, and if international by air mail. Notices shall be deemed received two working days after posting of the same if posted to and from an address in the same country, or seven working days after posting if posted to and from addresses in different countries.

In the case of electronic mail notice is deemed to be given the next business day following transmission of the notice.

15. Severability

If any part of this Agreement is rendered invalid by any law or is held to be unenforceable or illegal for any reason then that part of the Agreement is omitted and so far as the context allows the rights and obligations of the remaining parts of the Agreement continue to apply.

16. Entire Agreement

This Agreement is the entire agreement of the parties on the subject matter. All representations, communications and prior agreements in relation to the subject matter are merged in and superseded by this Agreement.

Signed by the Licensee (us):

Name & Title:

Witness Signature:

Name of Witness:

Dated:

Signed by the Licensor (you):

Name & Title:

Witness Signature:

Name of Witness:

Dated:

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