



ANNUAL MASTER & SYNCHRONIZATION AGREEMENT

This Agreement is made this _____ day of _____ 200__ by and between GRATIS MUSIC, LLC, located at 26 Bent Tree Lane, Mount Ida, AR 71957, mailing address P.O. Box 235, Oden AR 71961 (hereinafter referred to as GRATIS) and _____, located at, _____, (hereinafter referred to as LICENSEE).

Whereas, GRATIS is the owner or administrator of certain rights in and to the musical compositions and sound recordings (hereafter referred to as COMPOSITIONS) in the GRATIS MUSIC LIBRARY and/or music represented with by GRATIS (hereafter referred to as the LIBRARY) as listed in Exhibit "A".

Whereas, LICENSEE desires to license the COMPOSITIONS in the LIBRARY for the purpose of synchronization with LICENSEE'S productions.

Now therefore, for good and valuable consideration, GRATIS hereby grants to LICENSEE the following rights:

1. The non-exclusive right, license and authority to synchronize and embody those COMPOSITIONS within the LIBRARY with LICENSEE'S productions, to make copies of such embodiments and to distribute such copies throughout the TERRITORY as defined in paragraph 2 below subject to the terms and conditions of this Agreement, so long as the production is not altered in any way (either its audio or visual parts) and provided it embodies the COMPOSITIONS in the manner set forth in paragraph 4 herein..

2. The TERRITORY covered by this license is: The World.

3. The Term of this license if for a period of ___ Year(s), commencing on the START DATE and ending on the END DATE. This Agreement shall automatically be extended for consecutive periods under the same terms and conditions unless terminated by either party by written notice given to the other party no less than ten (10) days prior to the expiration of the current period.

4. LICENSEE agrees that use of the productions embodying such COMPOSITIONS from the LIBRARY will be limited to the following clearance(s)

- _____
- _____

Productions requiring any clearances other than those noted above must be licensed separately from this Agreement at the prevailing GRATIS rate card rates. License application forms will be supplied upon request. LICENSEE acknowledges that any further or different unlicensed used of the

COMPOSITIONS in the LIBRARY represents a breach in the terms of this Agreement and an infringement of GRATIS' copyrights.

5. LICENSEE agrees to pay GRATIS for the rights granted herein the sum of ____US Dollars (USD\$_____) payable as follows: The first payment of ____US Dollars (USD_____) is due upon the signing and acceptance of this Agreement. An additional payment of ____US Dollars (USD\$_____) is due on or before _____. If at any time LICENSEE'S account becomes past due by more than ninety (90) days, and after notice of such status by GRATIS, GRATIS may, at its sole discretion, and in addition to any other remedies that GRATIS may be entitled to, enlist a third party to collect monies due hereunder and LICENSEE will be responsible for any and all reasonable legal or collection fees incurred by GRATIS, in addition to any other monies GRATIS may be entitled to under the provisions of the law.

6. This Agreement is not valid until (a) it has been signed and returned to GRATIS and (b) GRATIS receives all payments as provided in Paragraph 5. LICENSEE, by exercising its non-exclusive right, license and authority to synchronize and embody COMPOSITIONS within the LIBRARY with LICENSEE's productions, accepts the terms of this Agreement and agrees to be bound by them.

7. GRATIS shall make available to LICENSEE the COMPOSITIONS in the LIBRARY through (a) its Website: www.gratismusiclibrary.com, (b) licensed mSoft servers, or (c) digital hard drives. LICENSEE, before gaining access to the LIBRARY by the methods mentioned above, must agree to and execute either a Gratis Music Hard Drive Agreement or a Gratis Music Internet/Website Agreement depending upon the chosen method of accessing the COMPOSITIONS in the LIBRARY. GRATIS may also provide COMPOSITIONS on other types of STORAGE DEVICES, now known, or yet to be invented, all of which are considered on loan to LICENSEE during the term of this Agreement. Within thirty (30) days of the termination of this Agreement, all STORAGE DEVICES of any kind that were loaned by GRATIS shall be returned in good, working condition to GRATIS and ship with an authorized RMA number at LICENSEE's expense. Any temporary copies of the COMPOSITIONS made by LICENSEE during the course of normal production or through download from the GRATIS Website or from licensed mSoft servers must be destroyed. Copies of the COMPOSITIONS that are stored on any computers, hard drives, discs or any other storage media must be deleted immediately upon termination of this Agreement.

8. It is LICENSEE's obligation hereunder to supply GRATIS with a completed CUE SHEET for each production that will be publicly performed (whether Broadcast on Radio/Television or Theatrical) that details all music cues used in the production. CUE SHEETS are available from GRATIS at www.gratismusiclibrary.com and must be submitted to GRATIS in a timely manner.

9. GRATIS' LIBRARY is provided in accordance with the terms and conditions of this Agreement to LICENSEE solely for the purpose of synchronizing COMPOSITIONS therefrom in timed relation with LICENSEE's productions and presentations. LICENSEE agrees that it shall not make any copies of the COMPOSITIONS other than for LICENSEE's use as permitted by this Agreement. LICENSEE shall not sell, lease, lend, give, physically convey, or otherwise transfer, the GRATIS LIBRARY recordings to any person, firm, corporation or entity without GRATIS' prior written consent.

10. GRATIS represents and warrants that it has the full right, power and authority to make this Agreement and grant the rights herein. GRATIS reserves to itself all rights and uses of every kind and nature whatsoever in and to the LIBRARY including, without limitation, the mechanical and all

performing rights. All other rights or uses shall be negotiated separately with GRATIS. With respect to the performing rights, LICENSEE shall negotiate directly with GRATIS or with the appropriate performing rights society.

11. In the event that LICENSEE violates this Agreement or breaches any of its covenants contained herein, LICENSEE, upon notice from GRATIS, shall have a period of thirty (30) days to cure such claim. If claim is not resolved during such period, the license hereunder may be terminated at GRATIS' sole discretion. GRATIS shall thereafter be under no obligation to license to LICENSEE the use of the LIBRARY or any COMPOSITIONS contained therein for any purpose whatsoever. In addition to any remedy available to GRATIS, GRATIS shall thereupon be entitled to seek an injunction to enjoin LICENSEE from any use of said LIBRARY in new productions. Any portion of the CREDIT not then used shall in such case, become non-refundable to LICENSEE without limitation of any other of GRATIS' rights or remedies by reason of such breach.

12. Based upon LICENSEE's full and complete performance under this Agreement, GRATIS agrees to indemnify LICENSEE and hold it harmless from and against any and all losses and damages, including reasonable attorney's fees, incurred as a result of a breach of GRATIS' duties, obligations, representations and warranties hereunder. LICENSEE agrees to indemnify GRATIS and hold it harmless from and against any and all losses or damages, including reasonable attorney's fees, incurred as a result of any breach of LICENSEE's duties, obligations, representations and warranties hereunder.

13. This Agreement shall be governed by and construed in accordance with the Laws of the State of Arkansas in the United States of America and the jurisdiction of any dispute hereunder shall be with the courts in the State of Arkansas in the United States of America. In the event any term or provision of this Agreement shall be declared invalid by a court of competent jurisdiction, such invalidity shall be limited solely to the specific term or provision invalidated, and the remainder of this Agreement shall remain in full force and effect. In the event of litigation, the party ultimately prevailing shall be entitled to receive from the other its reasonable attorney's fees and costs as determined by the court rendering the final decision.

14. This Agreement constitutes the entire agreement of the parties hereto and may not be amended except by an agreement in writing executed by the parties hereto.

The parties have duly executed this Agreement by the authorized signatures below.

GRATIS MUSIC

COMPANY NAME

By: _____

Jerrold W. Lambert – President & CEO

Name: _____

Title: _____

EXHIBIT A

To the Agreement between GRATIS and _____ Dated _____,
200__.

GRATIS MUSIC INCLUDED UNDER THIS AGREEMENT AS IDENTIFIED BY VIRTUAL CD CATALOGUE NUMBERS

This list may be modified during the term of the Agreement with the mutual consent of both Parties and will be modified to include update music cues which may be issued during the Term. Acceptance of the music cues by Licensee acknowledges the amendment of this list.

GRA01	GRA19	GRA37	GRA55
GRA02	GRA20	GRA38	GRA56
GRA03	GRA21	GRA39	GRA57
GRA04	GRA22	GRA40	GRA58
GRA05	GRA23	GRA41	
GRA06	GRA24	GRA42	
GRA07	GRA25	GRA43	
GRA08	GRA26	GRA44	
GRA09	GRA27	GRA45	
GRA10	GRA28	GRA46	
GRA11	GRA29	GRA47	
GRA12	GRA30	GRA48	
GRA13	GRA31	GRA49	
GRA14	GRA32	GRA50	
GRA15	GRA33	GRA51	
GRA16	GRA34	GRA52	
GRA17	GRA35	GRA53	
GRA18	GRA36	GRA54	