



INTERNET/WEBSITE 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, it is agreed as follows:

1. During the term of this Agreement, which shall commence on the ____ day of _____, 200__, GRATIS shall make available the COMPOSITIONS in the LIBRARY in the form of digital recordings and permit LICENSEE to download the COMPOSITIONS from GRATIS' Website, (www.gratismusiclibrary.com) which is solely owned and operated by Gratis, or from licensed mSoft digital servers (owned or operated by mSoft, Inc.) carrying GRATIS' LIBRARY. From time to time, at GRATIS' sole discretion, GRATIS may provide additional COMPOSITIONS on its Website or in other formats to LICENSEE. All terms of this Agreement shall apply to any additional INTERNET DOWNLOADS, DIGITAL AUDIO FILES, CDs, DVDs, and STORAGE DEVICES retained by LICENSEE during the term of this Agreement. GRATIS may elect, at its sole discretion, to remove COMPOSITIONS from its LIBRARY from time to time, once removed, these COMPOSITIONS can no longer be licensed by LICENSEE.

2. This Agreement shall automatically be extended for consecutive one (1) year 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 one-year period or as outlined in Paragraph 1. LICENSEE agrees to return the LIBRARY in good condition within ten (10) days notice of such option at LICENSEE'S expense.

3. The LIBRARY is provided in accordance with the terms and conditions of the 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 COMPOSITIONS to any person, firm, corporation or other entity without GRATIS' prior written consent. Immediately upon termination of this

agreement, any temporary copies of COMPOSTIONS made by LICENSEE during the course of normal production or through downloads from GRATIS' web site must be destroyed. Copies of the COMPOSITIONS that are stored on any computers, hard drives, discs, or any other electronic storage media must be deleted upon termination of this Agreement.

4. This Agreement is not valid until it has been signed and returned to GRATIS and 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.

5. Gratis periodically shall provide LICENSEE with a standard rate card (also available online at www.gratismusiclibrary.com) which is subject to change, for the various licenses grantable by GRATIS for use of the COMPOSTIONS in the LIBRARY. In the event that LICENSEE determines that it wishes to use any of the COMPOSTIONS in the LIBRARY during the term of this Agreement, then GRATIS agrees that it shall license to LICENSEE on a non-exclusive basis such COMPOSTIONS for the uses, period, territories and the rates provided for in its current rate card. Uses of the LIBRARY shall be reported on GRATIS' Digi-Drop License Application Form unless otherwise agreed upon by GRATIS and LICENSEE. LICENSEE shall forward within ten (10) business days, a report of such use to GRATIS. LICENSEE agrees that the license fee for late or untimely reporting, sixty (60) days or more after synchronization, shall be deemed to be late or untimely and LICENSEE must then remit five (5) times the posted rate to GRATIS. LICENSEE's shall, together with said report, remit to GRATIS appropriate payment in full for such use. GRATIS' failure to provide standard reporting forms shall not relieve LICENSEE of its obligation to report and pay for all uses of the COMPOSTIONS in the LIBRARY.

6. Each use of GRATIS' COMPOSTIONS in LICENSEE's productions, under the terms and conditions of this Agreement, requires the submission of a separate Digi-Drop License Application Form by LICENSEE, and the payment of synchronization fees per the current and prevailing Rate Card.

7. Each project using GRATIS' COMPOSTIONS in LICENSEE's productions, under the terms and conditions of this Agreement, requires a copy of the cue sheets if the productions is Theatrical or Broadcast on Local, Regional, Network, Local or Common Carriers, Cable, Premium Cable, Satellite both foreign and domestic.

8. LICENSEE's obligation to report and pay for all uses of the LIBRARY is the essence of this Agreement. Any use made by LICENSEE of the COMPOSITIONS in the LIBRARY for which use LICENSEE does not report and make proper payment in a timely manner (or any use made after the termination of this Agreement) is unauthorized and shall constitute an infringement of GRATIS's rights in the COMPOSITIONS. LICENSEE hereby acknowledges and agrees that it will not have the right to utilize any music tracks, licensed or unlicensed, from GRATIS until LICENSEE has fulfilled all payment and/or other obligations owed to GRATIS as outlined in the Digi-Drop or Annual Synchronization License or invoice documentation issued to you by GRATIS.

9. GRATIS shall have the right, with reasonable cause and upon reasonable prior notice to LICENSEE (five (5) business days or more shall be deemed reasonable) to audit and examine LICENSEE's records only with regard to the use of COMPOSITIONS in LICENSEE's productions and

to make abstracts and copies thereof to verify uses of the LIBRARY made by LICENSEE and, the accuracy and completeness of the license fees paid and reports sent to GRATIS. LICENSEE shall cooperate with GRATIS and shall make all relevant records available to GRATIS to enable it to conduct such audits and examinations in an efficient and expeditious manner.

10. When using the Website, the Website site's server automatically collects data about the user's (LICENSEE) home server's domain. This information is used only for internal review in aggregate and non-personally-identifiable form. In addition, the user may be asked to provide certain personal and non-personal information. LICENSEE hereby agrees that it is the only entity responsible for the accuracy and content of this information. GRATIS reserves the right to disclose any information in order to satisfy any legal or government request, or if such disclosure is necessary or appropriate to operate GRATIS, or to protect the rights, property or other legal obligations of GRATIS. Any information collected by GRATIS about LICENSEE, that identifies the user as an individual, will not be shared with any third party unless it is required to undertake the activities outlined above in this paragraph.

11. All company names, domain names and logos directly associated with GRATIS and its products and services are trademarks and are the property of GRATIS. All other trademarks, product names and company names or logos cited within the GRATIS Website remain the copyrighted property of their respective owners. GRATIS is the owner and/or authorized user of any trademarks, registered trademarks or service marks appearing on the GRATIS Website, and is the copyright owner, administrator, agent or licensee of the content and information on the GRATIS Website unless otherwise indicated. All information provided on the GRATIS Website: its content, the Website design, text and graphics, are protected by the copyright laws of the United States and other countries throughout the world. All rights are reserved. Reproduction, publication, posting or transmission of GRATIS' Website content must be approved by GRATIS prior to release. Except where otherwise noted, the contents of the PDF and MS Word/Excel documents on the GRATIS Website may be printed, distributed and reproduced, provided that the content is used for informational purposes only and any copyright notices that may apply are distributed with the content.

12. GRATIS is not responsible for the content, products, services, statements or privacy policies contained within any third party Websites that are hyperlinked to or referred to within the GRATIS Website. GRATIS is also not responsible for the data collection or use procedures of any third party Websites that it refers to or provides hyperlinks to. Referral to these third party Websites, products or services does not imply any endorsement or guarantee by GRATIS. GRATIS may cease its referral to or remove hyperlinks to any or all third party Websites at any time, without prior notice.

13. GRATIS's Website provides an industry-standard secure online environment for online transactions. LICENSEE hereby acknowledges that every effort has been made by GRATIS to protect confidentiality and prevent the loss, misuse or alteration of information provided to GRATIS by LICENSEE on GRATIS's Website. LICENSEE also acknowledges that no data transmission that takes place over the Internet can be guaranteed as 100% secure therefore GRATIS cannot guarantee that LICENSEE's information will not be subjected to unauthorized third party intrusion therefore LICENSEE further acknowledges that any and all information proved to GRATIS through the interface of its Website is provided at LICENSEE's own risk.

14. LICENSEE acknowledges that GRATIS' Website will undergo periodic changes and modification and GRATIS retains the right to make changes at any time, without prior notice. Every effort is made to prevent mistakes, inaccuracies and typographical errors but GRATIS will not be held liable for any inconvenience or losses generated as a result of said errors. The GRATIS Website is supplied on an "as is" basis via the World Wide Web, without warranty of any kind. All implied warranties and conditions (including any implied warranty of merchantability or fitness for a particular purpose) are disclaimed as to the Website. LICENSEE acknowledges that its exclusive remedy for breach of warrant will be to cease use of the GRATIS Website. In no event will GRATIS or its developers, directors, officers, employees, or affiliates be liable to LICENSEE for any consequential, incidental, or indirect damages (including damages for loss of business profits, business interruption, loss of business information and the like), whether foreseeable or unforeseeable, arising out of the use or inability to use the GRATIS Website, regardless of the basis of the claim and even if GRATIS or an authorized GRATIS representative has been advised of the possibility of such damage. LICENSEE acknowledges that LICENSEE's use of the GRATIS Website acknowledges its understanding of the above, and of all such terms and conditions contained within this Agreement, and also acknowledges its understanding that the Website may not satisfy all of LICENSEE's requirements or be free from errors or defects.

15. LICENSEE acknowledges that its use of the GRATIS Website is governed by and interpreted in accordance with the laws of the State of Arkansas in the United States of America. It is further acknowledged that the courts of the State of Arkansas in the United States of America shall have jurisdiction over any action or proceeding arising from LICENSEE's use of the GRATIS Website.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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

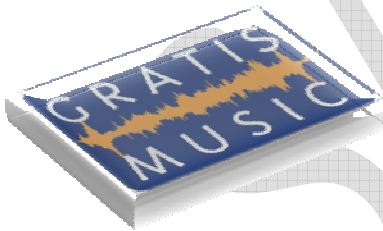
COMPANY NAME

Jerrold W. Lambert – President & CEO

By: _____

Name: _____

Title: _____



USER INFORMATION FOR WEBSITE LOGIN:

E-mail Address: _____

Password: _____

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	