

Dear Valued Customer,
Thank you for making Precision your Production Powerhouse!

Please read the entire agreement before completing this application.

Open Account Application

Please fill in all the requested information including billing and shipping information, three business and one bank reference, and the dollar amount of the credit you are requesting.

If you are enclosing your own pre-printed credit information, simply fill out sections I, IV, V, and note 'See Attached' on sections II and III. Remember to include your signature at the bottom of section V, and initial at the bottom of this page.

Certificate of Exemption from MN Sales Tax

State regulations require that we have a completed certificate ST-3 on file in order for it to be a valid exemption from tax. We cannot accept a Tax Account Number without a completed and signed form. Please enclose a completed ST-3 if your account with Precision is exempt from tax.

Authorization of work

Precision Powerhouse ("Precision") will perform work or provide services with respect to any related master material ("duplication material"), related packaging material ("Package Material") and/or films, screens or other related labeling material ("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 Duplication Material or its duly authorized representatives and a certificate(s) of tax exemption, if applicable. Precision reserves the right to produce and bill for production overruns up to ten percent over the Customer's order for Product. Precision will consider all The Customer orders complete for shipments of up to 110% (one hundred ten percent) of the total quantity ordered.

License of Master Recordings and Materials

The Customer hereby grants to Precision and Precision hereby accepts from The Customer, a non-exclusive license to manufacture the product from the Master Recording(s) identified on this order and to use any related photographs, biographical material, label data, or album cover artwork, or any other material provided to Precision hereunder by The Customer, for that purpose.

Pricing and shipping terms

Prices are FOB our plant and are subject to change without notice. Shipment is by regular ground service unless otherwise specified by The Customer. Precision is not responsible for loss or damage once any product has left our premises.

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 Precision. Precision reserves the right, among other remedies, either to terminate this Agreement or to suspend further deliveries upon failure of The 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 the rate of one and one-half percent per month (18% annum) and shall accrue daily. Notwithstanding the foregoing, Precision 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 discretion see fit. In addition to the foregoing, The Customer shall pay any or all costs, fees, charges or expenses of every nature (expressly including reasonable legal fees) incurred by Precision in recovering any amounts owed to it by The Customer. In addition to the purchase price, The Customer shall pay Precision the amount of all governmental taxes, excises and/or other charges (except taxes on or measured by net income) that Precision may be required to pay with respect to the production, sale and transportation of any Duplication Material, Packaging Material, Labeling Material or Product delivered hereunder, except where the law otherwise provides.

Credit Terms

The undersigned hereby certifies that the foregoing statement is a true and correct statement of the undersigned's financial condition, and that it is submitted for the purpose of procuring credit. Terms of payment, should credit be granted, shall be payment in full net thirty days from the date of the invoice. Amounts past thirty days will be assessed a finance charge of 1.5% per month, and monies received will be applied first toward all finance charges and then towards the invoice amount. If additional costs are incurred to collect an outstanding debt, these costs will be added and deemed owned in addition to the original amount. (These costs may include, but are not limited to, court costs and reasonable attorney's fees.) This agreement shall be deemed to have been entered into in the State of Minnesota and shall be interpreted in accordance with the laws of the state. Applicant hereby consents to the exercise of personal jurisdiction over the applicant by any court in the state of Minnesota in any action based on a breach of this application and agreement. If any of the above terms are changed, such as extended terms all other terms above will still apply. The applicant hereby gives permission to disclose its history with the bank and business references indicated on this application to Precision Tapes, Inc. d/b/a Precision Powerhouse. This information is to be used in consideration of granting an open account to the applicant.

Mediation and Arbitration

Any disputes arising under the Agreement that cannot be resolved in this manner shall then be submitted to mediation. A mediator shall be selected by agreement of the Chief Operating Officers of each party or his/her designee. In the event that a dispute cannot be resolved by mediation, then the parties agree that the dispute shall be submitted to binding arbitration under the rules of the American Arbitration Association.

Precision's warranty of product

The following warranty is the sole warranty given by Precision To The Customer in respect of the work or services to be performed or provided by Precision and excludes the application of any other warranty or

guarantee of any nature whatsoever, whether legal, conventional or customary. Precision warrants that material produced and delivered by Precision hereunder meets Precision's standard specifications for the material or such other specifications as have been expressly made a part of this Agreement and that such material is adequately contained, packaged and labeled. If any material produced by Precision ("Product") from or through the use of Duplication Material, Packaging Material, or Labeling Material is found to be defective in quality, or is shipped or labeled in error, Precision will replace or repair such defective Product and/or correct such error in shipment or labeling at its own expense, on the condition that: a) written notice of such defect or error is received by Precision at its office within ten days after its arrival at destination; and b) the defect or error did not result from a defect or error in the Duplication Material, Packaging Material and/or Labeling Material supplied by or on behalf of The Customer. If said notice is not received by Precision within the delay indicated above, Precision will be deemed-to-be released from any and all liability. The Customer shall return any defective Product to Precision should Precision so request. Precision's liability for breach of warranty hereunder is limited solely to the replacement or the repairs, as the case may be, of defective Product, which shall be returned to Precision's plant. **THE FOREGOING WARRANTIES ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES (WHETHER WRITTEN, ORAL, OR IMPLIED) INCLUDING WARRANTY OR MERCHANTABILITY IN OTHER RESPECTS THAN EXPRESSLY SET FORTH ABOVE AND WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.**

Delivery Times

Unless otherwise stated on this order, and agreed upon in writing, deliver times are estimates.

Storage of duplication material, packaging material and labeling material

Precision will store Duplication Material, Packaging Material and Labeling Material without charge to the Customer for a maximum of six (6) months following the last order placed by The Customer. Without prejudice to any other rights which Precision might possess under these terms and conditions, Precision may, at its option, after the expiry of said six (6) month period: I) Return the Duplication Material, Packaging Material and/or Labeling Material to The Customer at the address indicated on the last order placed by The Customer at the latter's expense; II) Store the Duplication Material, Packaging Material and/or Labeling Material at The Customer's expense, subject to such storage charges as Precision may from time to time determine; III) Store at no charge with a written agreement from us; IV) Destroy the Duplication Material, Packaging Material and/or Labeling Material the whole without any liability on Precision's part. Customer property stored in our premises is not insured and is stored strictly at the customer's risk.

Termination

Either party upon 30 days written notice may terminate Customer order for products not yet manufactured by Precision, unless a written contract states otherwise. The Customer will be responsible for all costs incurred by Precision related to pre-manufacturing or manufacturing of any product, prior to receipt of notice of termination. After such termination, The Customer's original material and any completed product may be delivered to The Customer only after all sums owing to Precision have been paid in full by cash or certified check.

Limitation of liability

Any or all work performed by Precision for the benefit of The Customer is performed at the sole risk of The Customer. Except as expressly set forth above, Precision does not in any way warrant or guarantee and is in no way responsible for the quality of service provided by Precision, the results of any work or services provided by Precision 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 Material, Packaging Material 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 Precision; the quality of services provided by Precision; negligence or error by Precision or by any of its employees; faulty maintenance, defective machinery or faulty equipment, notwithstanding the fact that Precision is or should be aware of any of the foregoing; and fire, theft, vandalism or any fortuitous event or force majeure or other event outside the control of Precision. Moreover, Precision is not responsible for any loss of revenue or profit or other financial damages of any kind whatsoever, whether direct or indirect, suffered by The Customer for any reason referred to above. The Customer shall indemnify and hold Precision 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 Precision. Precision shall not be liable under any circumstance for consequential or incidental damages or lost profits.

Representations and warranties of customer

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

Initials: _____

Security

As security for any and all amounts owing by The Customer to Precision, The Customer shall be deemed to have pledged to Precision all Duplication Material, Packaging Material, 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 default of payment in accordance with terms of paragraph 4, Precision shall be entitled the option to retain the Pledged Property until paid in full or to sell it to mitigate its damages from lack of payment and shall be entitled to exercise its rights in the Pledged Property as holder of a security interest under the Uniform Commercial Code or any other applicable law.

Force Majeure

Neither party shall be liable for its failure to perform hereunder 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 of such contingency all or any portion of the quantity deliverable during such period, whereupon the total quantity deliverable under this Agreement shall be reduced by the quantity so omitted. If, due to any such occurrence, Precision is unable to supply the total requested for any Product specified in the agreement, Precision shall have the right to allocate its available supply among its Customers in a fair and equitable manner. In no event shall Precision be obligated to purchase material from others in order to enable it to deliver Product to The Customer.

Miscellaneous

These Standard Terms and Conditions of Sale and Orders may not be modified orally, no waiver, amendment or modification shall be binding of effect unless in writing and signed by the part to be bound.

Processing

Once the application is completed, please re-fold & staple, making sure our mailing address is showing on the front. Then please mail it to our office, or for a quicker response, you may also apply by faxing this side of the application to us at (612) 332-9200. Please follow up your fax by mailing us the original copy. We cannot approve your application for credit until the original is received in our office. Our office hours are Monday through Thursday from 8:00 a.m. until 5:30 p.m., and on Fridays from 8:00 a.m. until 5:00 p.m. Please feel free to drop off your applications at our office if it is more convenient. Upon receipt, we can usually set up your account in just a few days.

Thank you for using Precision Tapes, Inc. d/b/a Precision Powerhouse and for the opportunity to extend to you the convenience of a credit account. If you have any questions, please feel free to contact us at (612) 333-9111.

I. BILLING / SHIPPING INFORMATION

Company Name: _____
Billing Address: _____
City, State, Zip: _____
Owner(s): _____
Dun & Bradstreet #: _____
Accounts Payable Contact: _____
Federal ID# or SSN: _____
Shipping Address: _____
City, State, Zip: _____
Date Established: _____
____ Corporation ____ Partnership
____ Non-profit ____ Government
____ Sole Prop. ____ LLC
Who at Precision has been helping you? _____

II. BUSINESS REFERENCES

1. Name: _____
Address: _____
City, State, Zip: _____
Phone: (____) _____
Acct # or Contact: _____
2. Name: _____
Address: _____
City, State, Zip: _____
Phone: (____) _____
Acct # or Contact: _____
3. Name: _____
Address: _____
City, State, Zip: _____
Phone: (____) _____
Acct # or Contact: _____

III. BANK REFERENCE

Name: _____
Address: _____
City, State, Zip: _____
Phone: (____) _____
Account # _____
____ Checking ____ Savings ____ Loan

IV. CREDIT LIMIT

Estimated Monthly Purchase: _____
Desired Credit Limit: _____

V. SIGNATURE

THE APPLICANT AGREES TO THE TERMS AND CONDITIONS OF THE PRECISION TAPES, INC. D/B/A OPEN ACCOUNT AGREEMENT AS STATED HERE AND ON THE REVERSE.

ACCEPTANCE OF THE TERMS AND CONDITIONS AS HEREBY SET FORTH BY AUTHORIZED PERSON.

Print Name: _____

Signature: _____
Title: _____
Date: _____
Personal Guarantee: _____

Name _____
Address _____
City _____ State _____ Zip _____

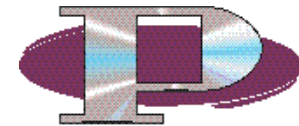
Precision Tapes, Inc. d/b/a Precision Powerhouse

Attn: Credit Department
911 2nd Street South
Minneapolis, MN 55415

Your Production Powerhouse



ACCOUNT APPLICATION



We Produce

Ask about our brochure and 100% guarantee

911 2nd Street South
Minneapolis, MN 55415
Phone: (612) 333-9111
Fax: (612) 332-9200

PLACE STAMP
HERE Post office will
not deliver without
postage.