



POWERHOUSE MEDIA ENTERPRISES TERMS OF SERVICE AND LICENSE OF SONG AND RECORDING

Effective dated February 28 2009

This agreement (this "Terms and Conditions" or "TAC") spells out the agreement between the person ("you" "Songwriter") signing up to use the powerhousemediaenterprises.com web site to submit songs and recordings for consideration for licensing by Power House Media Enterprises ("we", "us", "PHME"). This TAC also includes the terms under which you may license the songs submitted to us.

PHME may amend or alter the TAC, or establish a new TAC at any time provided that you be notified by email and on the web site that changes have been made. The terms of the TAC shall be immediately effective except that you shall have an additional seven (7) days to exercise your right of Termination under the terms of the previous TAC.

TERMS SPECIFIC TO WEB SITE USE:

1. No membership fees apply. You may submit to PHME unlimited material in response to our promoted project.
2. You must be the owner of copyright in all songs and recordings submitted, except as set forth explicitly in the License Agreement.
3. YOU WARRANT THAT YOU HAVE THE RIGHT TO SUBMIT THESE SONGS AND RECORDINGS TO PHME FOR THE PURPOSES DESCRIBED HEREIN AND WILL NOT INFRINGE UPON THE RIGHTS OF OTHERS NOR CAUSE PHME TO SO INFRINGE BY EXECUTION OF THE PURPOSES OF THIS AGREEMENT.
4. We will review all submissions upon actual receipt of the submission, and advise of any accepted songs within a reasonable period of time by means of email and through the web site. All submission must be registered using our license agreement provided on this website and if required, hard copy CD's then sent through mail. Artist/composer agrees, in advance of any acceptance by us, to the terms of the license of any song submitted; the terms of such license are below. Acceptance by us of any song submitted by you will constitute the consummation of this agreement without further consent from you. You will be required to execute additional documentation as described below.
5. Submissions and efforts by us to place songs shall be by a project by project basis.
6. PHME MAKES NO CLAIMS AS TO THE OUTCOME OF SUBMISSION OF MATERIAL THROUGH ITS WEBSITE OR ANY OTHER MEANS. PHME SHALL

NOT BE HELD LIABLE FOR ANY LOSS, MATERIAL OR CONSEQUENTIAL, FROM ANY ACTIVITY PERTAINING TO THIS WEB SITE, OR THE SUBMISSION PROCESS.

TERMS SPECIFIC TO SONGS/RECORDINGS IF ACCEPTED BY PHME:

In the event PHME accepts one or more submitted songs for its projects, you will be informed, as mentioned above, within 3 months of submission by email and through the web site.

2. RIGHTS GRANTED:

a) You give us the non-exclusive right to represent your song/material and the sound recording of the song (your "Recording") worldwide for the life of any applicable copyrights and worldwide or for such lesser term or territory as PHME in its sole discretion shall decide. We will use that time to try to get the Song/material, and possibly the Recording, used (a "Synchronization License" if for a Song; a "Master Use License" if for the Recording) in television, film or advertising (the "Field"). You will retain the right to release the Recording on albums or to let a record label do so. b) You give us the non-exclusive right in perpetuity to renew, extend, or re-negotiate all licenses, and to grant new licenses for derivative works, for Song or Recording for which we granted a license under the terms and during the term of this agreement.

3. ADDITIONAL RIGHTS TO THE RECORDING:

a) We may elect to produce a compilation of musical compositions represented by us for release on phonorecords (e.g., compact discs, mp3, mp4, or other audio devices), and may elect, in its sole discretion, to include the Song/material and/or Recording in such compilation(s), for purposes of promoting our catalog. No mechanical royalties or artist's royalties shall be paid on phonorecords given away or distributed for promotional purposes as aforesaid. You acknowledge that we are under no obligation to produce any compilation(s).

b) Songwriter represents, and warrants that, he or she is the sole producer, musician, vocalist and owner of all rights in and to the Recording. Songwriter represents and warrants that the Recording is Songwriter's original work and does not infringe any valid rights of any third party, and that no digital samples of third-party-controlled recordings are included in the Recording. Songwriter agrees that except as specifically provided herein, PHME shall not be liable to pay any fees, royalties, or other sums relating to the Recording. Songwriter has the full right, power and authority to enter into and grant the rights granted herein to PHME, and that there are no other agreements with any other person, firm or corporation in conflict with such grant.

c) In the event that any other producer, musician or vocalist has participated in the production of the Recording, Songwriter shall identify all such persons, secure their consent to and approval of Songwriter's grant of rights herein to PHME, by having all such person(s) execute the License Agreement and file such with PHME.

4. **TERMINATION:** You may withdraw your song/material at any time providing that you do so by registered letter. However, all licenses issued by PHME prior to the effective date of the termination of the License Agreement shall be valid and binding on the Client (End-user).

5. **WARRANTIES; INDEMNITY:**

(a) Songwriter hereby warrants and represents that the Song/material and the Recording are original works, that neither the Song/material, the Recording, nor any part of either infringes upon the title, literary or musical property or copyright of any other work nor the statutory, common law or other rights (including rights of privacy or publicity) of any person, firm or corporation; that he or she has not sold, assigned, transferred, or encumbered any right, title or interest in or to the Song/material or Recording, or any part thereof or any of the rights herein conveyed; that he or she has not made or entered into any contract with any other person, firm or corporation affecting the Song, or the Recording, or any right, title or interest therein or in the copyright in the Song or Recording; that no person, firm or corporation other than Songwriter has or has had claims or has claimed any right, title or interest in or to the Song, or Recording or any part of either, any use thereof or any copyright therein; that neither the Song or Recording has ever been published or distributed, except as set forth in any Co-writer Agreement and Publisher/Label agreement and duly filed with PHME. Further, that Songwriter has full right, power and authority to enter into this Agreement.

(b) Songwriter agrees to defend, indemnify and hold PHME and its officers, directors and agents, harmless from any costs, expenses (including attorneys' fees and costs), losses, claims, liabilities, drawings or obligations arising out of or connected with the breach of any agreement, representation or warranty herein made by Songwriter.

6. **COMPENSATION:** In consideration of the Agreement and of the rights and interests hereby conveyed and granted, PHME agrees to pay to Songwriter the following fees in respect of the Song, provided Songwriter has not breached the terms of this agreement:

(b) Seventy percent (70%) of any and all net sums actually received (less any cost for collection) by PHME in the United States from the exploitation in the United States and Canada by licensees of PHME of mechanical rights, motion picture and television synchronization rights, except public performance rights which are covered in 6(c) below), whether or not such licensees are affiliated with, owned in whole or in part by, or controlled by PHME.

(c) Songwriter shall receive his or her public performance royalties throughout the world directly from his or her own affiliated performing rights society and shall have no claim whatsoever against PHME for any royalties received by PHME from any performing rights society which makes payment directly (or indirectly other than through PHME) to writers, authors and Songwriters.

(d) Fifty-five percent (55%) of any and all net sums, after deduction of foreign taxes, actually received (less any reasonable costs for collection) by PHME in the United States

from sales, licenses and other uses of the Song in countries outside of the United States and Canada (other than public performance royalties as hereinabove mentioned in Sub-clause 6(c)) from collection agents, licensees, sub-publishers or others, whether or not same are affiliated with, owned in whole or in part by, or controlled by PHME.

(e) PHME shall not be required to pay any royalties on promotional copies of the Song or copies of phonorecords of the Song which are distributed to performing artists, music supervisors, television or film producers, advertising agencies, disc jockeys, and/or other such persons for advertising or promotional purposes

(f) Except as herein expressly provided, no other royalties or monies shall be paid to Songwriter.

7. STATEMENTS: PHME shall account to and pay Songwriter the portion of the License Fees due the Songwriter hereunder on a semi-annual basis on or before September 30 of each year for the prior six month period ending June 30 and on or before March 31 each year for the prior six month period ending December 31 based on collections. No accounting is required for any period in which no payment is due the Songwriter.

8. NAME AND LIKENESS: Songwriter grants to PHME the perpetual right to use and publish and to permit others to use and publish Songwriter's name (including any professional name heretofore or hereafter adopted by Songwriter), likeness and biographical material, or any reproduction or simulation thereof and the title of the Song in connection with the printing, sale, advertising, distribution and exploitation of music, recordings, performances and otherwise concerning the Song, and for any other purpose related to the business of PHME, its associates, affiliates and subsidiaries.

9. POWER OF ATTORNEY: Songwriter does hereby irrevocably empower and appoint PHME, and any of its officers, Songwriter's true and lawful attorney (with full power of substitution and delegation) in Songwriter's name, and in Songwriter's place and stead, or in PHME's name, to take and do such action, and to make, sign, execute, acknowledge, deliver, and record any and all instruments or documents which PHME, from time to time, may deem desirable or necessary to vest in PHME, its successors, assigns and licensees, any of the rights granted by Songwriter hereunder.

10. CLAIMS OF THIRD PARTY: PHME may take such action, as it deems necessary, either in Songwriter's name or in its own name, against any person to protect the rights and interest acquired by PHME hereunder. PHME will promptly notify Songwriter of any claims, action, demand or proceeding which may affect PHME or Songwriter's interest in the Song. Songwriter will, at PHME's request, cooperate fully with PHME in any controversy which may arise or litigation which may be brought concerning PHME's rights and interests acquired hereunder. PHME shall have the right, in its absolute discretion, to employ attorneys and to institute or defend any action or proceeding and to take any other proper steps to protect the right, title and interest of PHME in and to the Song and every portion thereof and in that connection, to settle, compromise or in any other manner dispose of any matter, claim, action or proceeding and to satisfy any judgment that may be rendered, in any manner as PHME in its sole discretion may

determine, provided that Songwriter's written consent shall be required to settle any claims and such consent shall not be unreasonably withheld. If Songwriter shall not give written consent to a proposed settlement of a claim which PHME believes is reasonable within three (3) days after the presentation of such settlement offer to Songwriter, then on PHME's request Songwriter shall promptly undertake any further action in regard to the claim at Songwriter's sole cost and expense, and Songwriter shall thereafter be fully and totally responsible and liable for any damage or costs in excess of the amount set forth in the proposed settlement offer. Any legal action brought by PHME against any alleged infringer of the Song shall be initiated and prosecuted by PHME, and if there is any recovery made by PHME as a result thereof, after deduction of the expense of litigation, including but not limited to attorney's fees and court costs, a sum equal to fifty percent (50%) of such net proceeds shall be paid to Songwriter. If a claim is presented against PHME in respect to the Song, and because thereof PHME is jeopardized, PHME shall have the right thereafter, until said claim has been fully adjudicated or settled, to withhold any and all royalties or fees that may be or become due with respect to the Song earned pursuant to this contract or any other agreement between Songwriter and PHME, sufficient, in the opinion of PHME, to reimburse PHME for any contemplated damages, including court costs and attorneys' fees and costs resulting therefrom. Such withholding shall continue until the final resolution or settlement of any such claim. Songwriter hereby agrees to indemnify and hold PHME harmless from and against any and all costs and damages incurred by PHME in connection with such indemnity and any and all costs and damages sustained by PHME shall be promptly paid to PHME by Songwriter on demand. If Songwriter shall fail to pay the same to PHME, in addition to any other rights and remedies that may be available to PHME hereunder, at law or equity, PHME may deem all such monies an additional advance against any royalties payable to Songwriter under this contract or any other agreement between Songwriter and PHME. Upon the final adjudication or settlement of each and every claim hereunder, all monies withheld shall then be disbursed in accordance with the rights of the parties as provided hereinabove.

11. ASSIGNMENT: PHME shall have the right to assign this Agreement and any of its rights hereunder and to delegate any of its obligations hereunder in whole or in part, to any person, firm or corporation. Songwriter shall not transfer nor assign neither this contract, nor any interest therein nor any sums that may be or become due hereunder without the prior written consent of PHME, which shall not be unreasonably withheld. No purported assignment or transfer in violation of this restriction shall be valid to pass any interest to the assignee or transferee.

12. ENTIRE AGREEMENT: The Terms of Service and all Agreements mentioned in Paragraph 1 and all of the terms hereof constitute the entire understanding between parties, and all of its terms, conditions and covenants shall be binding upon and shall inure to the benefit of the respective parties and their heirs, successors and permitted assigns. No modification or waiver hereunder shall be valid unless the same is in writing and is signed by the party sought to be bound.

13. GOVERNING LAW: This Agreement shall be deemed to have been made in the Commonwealth of Georgia, United States of America, and its validity, construction and

effect shall be governed by and construed under the laws and judicial decisions of the Commonwealth of Georgia applicable to agreements wholly performed therein.

14. WRITTEN NOTICES: All notices, statements and payments required or desired to be given hereunder shall be given by addressing same to the addresses of the respective parties as set forth on the web site for PowerHouseMediaEnterprises.com and in the member information section of same web site, or to such other address as either party may hereafter designate, by writing and shall be deemed given when sent postage prepaid by the United States mails, certified or registered, or by Federal Express.

15. SUBPUBLISHING; COLLECTION: PHME shall have the right to enter into any and all sub-publishing and collection agreements it deems appropriate with any entities including its affiliated or related companies for countries of the world outside of the United States provided however any such agreement shall be on a basis no less favorable to PHME than an agreement providing for the PHME to receive in the United States not less than fifty five percent (55%) of all income earned by the Song outside the United States.