

CHEAPO CONSIGNMENT

In Minnesota, we accept consignments in St. Paul for Twin City stores. We prefer that you bring or send everything to one of this location, which will then be your “Home Market”. Your Home Market will list your consignment(s) on our website and we may ship your consignment(s) to our stores in other locations. If you must ship discs to us, we suggest packing carefully and using a method that includes tracking and/or confirmation of delivery. We are not responsible for consignments which are lost or damaged in shipment by you. Please include all requested information and contracts with your shipment or e-mail them to us at consignments@cheapodiscs.com.

IN ST. PAUL WE ACCEPT:

- 1) CDs from IA, MN, ND, SD and WI musicians and distributors.
- 2) CD-Rs from MN musicians and distributors only.
- 3) LPs and Singles from IA, MN, ND, SD and WI artists and musicians.

Movies and videos from IA, MN, ND, SD and WI artists and musicians – DVD format only.

NO CONSIGNMENT WILL BE ACCEPTED WITHOUT A SIGNED CONTRACT FROM THE PERSON OR ENTITY CONSIGNING THE RESPECTIVE PRODUCT(S).

The following pages contain information on pricing, quantity, marketing and the consignment contracts.

PRICING

Pricing is very important. If our selling price is too high, your products won't sell. We don't recommend a price to our customers for CDs higher than \$12.99 unless you or the CDs have significant commercial exposure already. For new musical artists and groups, we recommend a selling price of \$9.99 or less per CD for our customers.

For CD-Rs, if they are do-it-yourself discs and packaging, we will not price them higher than \$4.99 to our customers. If they are professionally duplicated quality discs and inserts, \$12.99 will be the maximum price for our customers.

Our Customers Pay	We Pay You
\$ 2.99	\$ 1.80
\$ 3.99	\$ 2.40
\$ 4.99	\$ 3.00
\$ 5.99	\$ 3.60
\$ 6.99	\$ 4.20
\$ 7.99	\$ 4.80
\$ 8.99	\$ 5.40
\$ 9.99	\$ 6.00
\$ 10.99	\$ 6.60
\$ 11.99	\$ 7.20
\$ 12.99	\$ 7.80
\$ 13.99	\$ 8.40
\$ 14.99	\$ 9.00
\$ 15.99	\$ 9.60
\$ 16.99	\$ 10.20
\$ 17.99	\$ 10.80
\$ 18.99	\$ 11.40
\$ 19.99	\$ 12.00

SALES MATERIALS

The following is a menu of what we need to market and sell your product(s).

Basic Inventory & Marketing for the Twin Cities & localindies.com:

1. Album information (see pages 4&5).
2. 20 CDs (minimum) for Twin Cities stores and localindies.com.

Basic Inventory & Listening Posts for the Twin Cities:

1. Sorry, our listening posts won't play most CD+ and CD-Rs.
2. 3 free promotional copies of each CD.
3. 45 CDs minimum total.

Additional Marketing at Twin Cities stores:

1. 34 posters* for end caps and/or window displays. Placement depends on appearance and space available. *Based on 11" x 17" size. We can accept other sizes, but please e-mail us for more information.
2. CD mass display at Uptown store requires an additional 40 CDs, for a total of 85 CDs.
3. In-store performance in Uptown store. Please e-mail us for information.

ALBUM INFORMATION

Band/Artist Name:

Members:

Genre(s):

Track Listing:

On the next page, please give us a description of this album as you would like it to appear on our listening posts. See page 6 for examples.

(Sorry, most CD-Rs and CD+ will not play in our Listening Posts).

ALBUM INFORMATION

Album Description:

Examples:

about this disc... the artist,
their influences, why you might want to listen...

Chris Koza

After years of compiling an extensive library of original material, singer/songwriter Chris Koza has responded to his fans and released his debut album, *Exit Pesce*. Conceived while living in New York, the Portland, OR native recorded and mixed the material himself in bedrooms and basements around Minneapolis. Critics and listeners alike are embracing *Exit Pesce* as a welcome surprise. It defies expectations with its diversity, but remains intimate and anchored in Koza's warm voice, truthful lyrics and innately natural composition. Like any true artist Koza takes an idea and follows it to its logical end, employing anything that is necessary or stripping away anything that isn't to achieve clarity in his songs. For more information and tour dates visit www.chriskoza.com.

about this disc... the artist,
their influences, why you might want to listen...

Morning Star

In June of 2000, lead guitarist and vocalist Nick Rabens (St. Paul, MN) and rhythm guitarist Konstantin Konoplev (St. Petersburg, Russia) combined their song ideas and began what they thought would be a 2 song (*Rise/Just A Dream*) project. Later that year they were joined by bass guitarist Paul 'Groove Commander' Kammeyer (KGB, Zion Tribe, Green) and percussionist Jeff Rogers (Al Rapone, Lamont Cranston Band) to form Morning Star. This is their debut CD. In a gutsy attempt to address a broader and more experienced audience, Morning Star uses a backbone of 70s era psychedelic guitars combined with reggae rhythms, mind bending soundscapes, funk and straight out rock to create an eclectic collection of tunes with a distinctive feel.

Pages 7 and 8 below contain the **Consignment Contracts**.

For CDs and higher quality CD-Rs use the Standard Contract on page 7.

For DIY (do-it-yourself) CD-Rs, use the Limited Contract on page 8.

Cheapo

1222 University Ave., St. Paul, MN 55104
Phone: (651) 644-6416 Fax: (651) 644-8566
consignments@cheapodiscs.com

Standard Consignment Terms:

- 1) Your delivery of products to Cheapo for consignment and your signature of this Consignment Agreement constitute a representation and warranty from you to Cheapo that one of more of the following is/are true:
 - a. You are the owner of the copyright in the content by transfer and/or purchase from the copyright owner(s);
 - b. You created all content of the products yourself and own all copyrights in such content;
 - c. You have a direct or implied enforceable license from all copyright owner(s) of the content of the products; or
 - d. The content of the products are in the public domain or have been abandoned to public use or are not copyrightable.

You represent and warrant that you have the full legal right to sign this Agreement, to perform your obligations under this Agreement, and to provide the consigned products to Cheapo according to the terms and conditions of this Agreement; and the consigned products do not violate the intellectual property or other rights of any third party.

- 2) Cheapo agrees to make your consigned product(s) available for sale in each of its stores as it determines and/or on our web site for 6 months or until such time as either you or Cheapo terminate this Agreement
- 3) Stocking of the consigned product(s) is at the discretion of Cheapo. Cheapo does not guarantee any minimum number of copies stocked in any store or any volume of sales.
- 4) The term of this Agreement (the "Term") will begin on the date you sign this Agreement and continue for one year or until terminated by either you or Cheapo, by giving written notice to the other. If you terminate the Term of this Agreement, Cheapo will have 60 days from the date of receipt of your notice of termination to make final payment to you and to make all unsold products available to you. You will have 60 days from the date of Cheapo's notice of availability to pick up all unsold products or the products will become the property of Cheapo.
- 5) If you fail to provide Cheapo with a current address and phone number, Cheapo will not be responsible for failure to send notices or payments to you.
- 6) You agree to defend and indemnify Cheapo against any and all claims, demands, lawsuits, damages, liabilities, costs and expenses (including reasonable attorneys' fees and court costs) arising from or in connection with (i) any breach by you of any representation, warranty or agreement made by you in this Agreement, or (ii) any claim of infringement of a third party's intellectual property rights by Cheapo based on Cheapo's sale or use of any intellectual property supplied by you. This obligation will survive the termination of the Term of this Agreement.

- 7) You are solely responsible for your own record keeping, tax payments and obligations to third parties relating to the products.
- 8) Payment will be made to you at the end of the agreement or upon re-stocking.
- 9) Cheapo is not responsible for the loss of or damage to products due to theft, vandalism, fire or other cause beyond Cheapo's control, or for the loss or seizure of products due to bankruptcy or other similar event.
- 10) This Agreement shall be governed by the laws of the State of Minnesota. This Agreement constitutes the entire understanding between the parties with respect to the subject matter and may not be modified except in a writing signed by both parties.

Consignee Information

Contact	Alternate Contact
Company/Name:	Contact Name:
Contact Name:	Address:
Address:	City/State/Zip:
City/State/Zip:	Phone:
Phone:	e-mail:
e-mail:	Web Address:

Checks Payable To: _____

Consignment Product

Item	Description	Cheapo Cost	Retail Price	Quantity
		\$	\$	
		\$	\$	
		\$	\$	

Consignee's Signature: _____ Date: _____

Cheapo Signature: _____ Date: _____

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Cheapo

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Phone: (651) 644-6416 Fax: (651) 644-8566
consignments@cheapodiscs.com

Limited Agreement Consignment Terms:

- 1) Your delivery of products to Cheapo for consignment and your signature of this Consignment Agreement constitute a representation and warranty from you to Cheapo that one, or any combination, of the following is true:
 - a. You are the owner of all copyrights in the content of the products by valid transfer and/or purchase from all copyright owner(s);
 - b. You created all content of the products yourself and own all copyrights in such content;
 - c. You have a direct or implied enforceable license from all copyright owner(s) of the content of the products; or
 - d. The content of the products are in the public domain or have been abandoned to public use or are not copyrightable.You represent and warrant that you have the full legal right to sign this Agreement, to perform your obligations under this Agreement, and to provide the consigned products to Cheapo according to the terms and conditions of this Agreement; and the consigned products do not violate the intellectual property or other rights of any third party.
- 2) Cheapo agrees to make your consigned product(s) available for sale in such of its stores as it determines and/or on localindies.com until such time as either you or Cheapo terminate the Term of this Agreement. You hereby grant to Cheapo the right to publicly perform, in Cheapo's stores and in Cheapo's advertising, the recordings and musical compositions designated with an asterisk (*) on the Album Information sheet, without charge, including on television and the Internet.
- 3) The term of this Agreement (the "Term") will begin on the date you sign this Agreement and continue until terminated by either you or Cheapo, by giving written notice to the other. **If neither party gives a termination notice in advance, the Term of this Agreement will automatically terminate 4 months after receipt of the products by Cheapo.** Cheapo will have 60 days from the date of termination to make final payment and to make available to you all unsold products. You will have 60 days from the date of Cheapo's notice of availability to pick up all unsold products or the products will become the property of Cheapo.
- 4) If you fail to provide Cheapo with a current address and phone number, Cheapo will not be responsible for failure to send notices or payments to you.
- 5) You agree to defend and indemnify Cheapo against any and all claims, demands, lawsuits, damages, liabilities, costs and expenses (including reasonable attorneys' fees and court costs), arising from or in connection with (i) any breach by you of any representation, warranty or agreement made by you in this Agreement, or (ii) any claim of infringement of a third party's intellectual property rights by Cheapo based on Cheapo's sale or use of any intellectual property supplied by you. This obligation will survive the termination of the Term of this Agreement.
- 6) You are solely responsible for your own record keeping, tax payments and obligations to third parties relating to the products.
- 7) Payment will be made to you monthly upon sales of \$50.00 or more of product, according to Cheapo's then current accounting procedures.

- 8) Cheapo is not responsible for the loss of or damage to products due to theft, vandalism, fire or other cause beyond Cheapo's control, or for the loss or seizure of products due to bankruptcy or other similar event.
- 9) This Agreement shall be governed by the laws of the State of Minnesota. This Agreement constitutes the entire understanding between the parties with respect to the subject matter and may not be modified except in a writing signed by both parties.

Consignee Information

Company/Name: _____ web address: _____
 Contact Name: _____ Alternate Contact: _____
 Address: _____ Alternate Address: _____
 City: _____ State: _____ Zip: _____ City: _____ State: _____ Zip: _____
 Phone: _____ Alternate Phone: _____
 E-mail: _____ Alternate E-mail: _____

Consignment Product

Band	Title	Cheapo Cost / Retail Price	Quantity
		\$ / \$	

Checks Payable To: _____

Your Signature: _____ Date: _____
 Cheapo Signature: _____ Date: _____