



Distrophonix LLC Digital Distribution Agreement

This agreement describes the legal relationship between you, _____ (an individual representing yourself, or if applicable, acting as legal representative for a band, group, or other musical entity) and Distrophonix LLC a music distributor with offices at 517 Cathedral Street, Suite B, Baltimore, MD 21201.

Please read this document carefully. By signing on the "I AGREE" line you will be bound by this agreement. From this point on, for the sake of this agreement you shall be referred to as the RIGHTS HOLDER or RIGHTS HOLDERS.

1. DEFINITIONS OF TERMS USED IN THIS AGREEMENT.

Digital Master: digital master or digital masters means copies of the RIGHTS HOLDERS content in digital form, which DISTROPHONIX LLC may sell via permanent digital download, streams or burns, as individual tracks or as a whole album.

Distributor: distributor means any third party, such as Rhapsody, Amazon, Zune, Napster, and Apple's iTunes, that DISTROPHONIX LLC may authorize to carry out the marketing, distribution, and sale or other use of the Digital Masters.

Term term means the period beginning as the effective date of this agreement and ending fourteen months after the effective date. The effective date is the date in which the last party signs the agreement. At that point in time the agreement shall automatically renew for fourteen month periods based on general market value.

Territory: territory means the universe.

Rights Holders Content: means sound recordings and musical compositions the RIGHTS HOLDER has made available to DISTROPHONIX LLC for distribution. Any content provided to DISTROPHONIX LLC must be owned, or controlled by the RIGHTS HOLDER or have been cleared for use and distribution by the RIGHTS HOLDER. DISTROPHONIX LLC is not legally liable in anyway for any content that is submitted to them which is stolen or otherwise used without permission from the original rights holder.

Artwork: artwork means album cover art and any other artwork relating to the RIGHTS HOLDER. DISTROPHONIX LLC has permission to use this artwork as it sees fit to market the RIGHTS HOLDERS digital masters. Any artwork submitted to DISTROPHONIX LLC must be cleared for use by the RIGHTS HOLDER. DISTROPHONIX LLC is not legally liable for any content which is stolen or otherwise used without permission from the original rights holder.

Material: material is content provided to DISTROPHONIX LLC by the RIGHTS HOLDER. This includes content for conversion into digital masters, digital masters themselves, and artwork.

Catalog: the catalog means the total of all of the material provided to DISTROPHONIX LLC for distribution by the RIGHTS HOLDER.

2. AUTHORIZATION.

Subject to the terms of this agreement the RIGHTS HOLDER hereby appoints DISTROPHONIX LLC as the exclusive authorized representative for the sale and other distribution of digital masters. Accordingly, RIGHTS HOLDER hereby grants an exclusive right to DISTROPHONIX LLC, during the term, to:

- 2.1. Reproduce and convert RIGHTS HOLDERS content delivered by the RIGHTS HOLDER into Digital Masters.
- 2.2. Perform and make thirty (30) second clips of the RIGHTS HOLDERS content available by streaming ("clips") to promote the sale and distribution of applicable digital masters.
- 2.3. Promote, sell, distribute, and electronically fulfill and deliver Digital Masters as individual tracks or entire albums.
- 2.4. Display and deliver artwork for personal use in conjunction with the applicable purchased Digital Master.
- 2.5. Use RIGHTS HOLDERS content, artwork as reasonably necessary to fulfill DISTROPHONIX LLC obligations as outlined by this agreement.
- 2.6. DISTROPHONIX LLC can authorize or appoint any distributors of their choice (such as launch.com, Napster, Apple iTunes, etc.) to perform activities 1-5 as outlined above.

3. RIGHTS HOLDER OBLIGATIONS

3.1. The RIGHTS HOLDER shall obtain and pay for any necessary clearances and licenses in the territory of all RIGHTS HOLDERS content and artwork. The RIGHTS HOLDER is responsible for the pay of any royalties and or any other income due to artist, authors, co-authors, copyright owners, co-copyright owners, producers, or other royalty participants or publishers from the sales or other uses of digital masters.

3.2. The RIGHTS HOLDER must advertise that their music is available for stream, purchase, or download on distribution services such as Apple iTunes, Napster, Amazon, Zune, etc. They must advertise this verbally at any public performance that the RIGHTS HOLDER performs at or that the RIGHTS HOLDERS material is performed at. In addition they must advertise this fact on the RIGHTS HOLDERS website as well as any sites where it leases space such as Purevolume.com or MySpace.com.

3.3. If the RIGHTS HOLDER has Digital Masters available for purchase on Apple iTunes they must provide a link to their storefront through the RIGHTS HOLDERS website so that their fans may be able to easily purchase their material.

3.4. If there is any occasion where the RIGHTS HOLDER has reasonable beliefs that they no longer control the rights to authorize DISTROPHONIX LLC and any other distributors to use the digital masters or artwork any longer they must inform DISTROPHONIX LLC. At that point DISTROPHONIX LLC will cease further distribution of the digital masters and artwork and make every reasonable effort to have the digital masters and artwork pulled from the third party distributors such as Apple iTunes, Napster, Musicmatch, etc. DISTROPHONIX LLC, at this point, has 30 days to send the request to the retail stores for removal of product. The actual removal of product depends on the standards of each individual retail store. The RIGHTS HOLDER shall not withdraw RIGHTS HOLDERS content if such RIGHTS HOLDERS content is being made available or is intended to be made available by RIGHTS HOLDER to any other provider of digital downloads, streams, or burns. Rightsholder shall not be able to delete any Recordings or Videos from its Catalog for convenience only if continued distribution is likely to expose Rightsholder and/or Distrophonix LLC to continued third party claims

3.4.1: RIGHTS HOLDER shall be liable for any fees associated to the removal of release from digital stores.

3.5. The RIGHTS HOLDER is responsible for providing any parental advisory information in regards to a digital master to DISTROPHONIX LLC. DISTROPHONIX LLC shall then forward this information to any of its distributors. Failure to do so resulting in a removal of title from retailers and needing to be resubmitted will result in RIGHTS HOLDER paying any associated fees for the correction.

3.6. The changing of a band or groups name, the removal or addition of any members, or changing the entity's name in any other way does not void this contract in anyway. DISTROPHONIX LLC shall still have the right to distribute the digital masters. The RIGHTS HOLDER should make DISTROPHONIX LLC aware in writing as soon as possible if a band or group has changed its name for any reason.

3.6.1- Changing of metadata or information once a release has been distributed (approved at IODA) will be subject to fees

3.7 RIGHTS HOLDER shall provide DISTROPHONIX LLC with masters in wav format, front album cover (1400 x 1400, 300 dpi jpg, tracklist, barcode (a barcode may be purchased for \$15), and any other information pertinent to the release of the music. Failure to provide these items during submission may result in fees responsible by RIGHTS HOLDER. If artwork is not received in stated format, RIGHTS HOLDER agrees to pay \$25 for artwork resizing. If a barcode is not given during the submission, RIGHTS HOLDER agrees to have DISTROPHONIX LLC provide a barcode for \$15. If RIGHTS HOLDERS content is already being digitally distributed by another digital aggregator, RIGHTS HOLDER agrees to purchase a new barcode for \$15 and will allow DISTROPHONIX LLC to re-release said content.

4. OWNERSHIP

The RIGHTS HOLDER retains all copyrights to materials, digital masters, and artwork. At no time does DISTROPHONIX LLC control the copyrights or equivalent rights of any of the provided material. The only right which DISTROPHONIX LLC has is the exclusive right to distribute digital masters as outlined in this agreement. Under no circumstance shall DISTROPHONIX LLC have any lesser rights than it would have as a member of the public.

5. GENERAL PROVISIONS

5.1. DISTROPHONIX LLC and any of its distributors shall have the unrestricted right to market, promote, and advertise the digital masters available for purchase as it determines in its discretion. DISTROPHONIX LLC and any of its distributors shall have the right to determine which sound recordings, irrespective of any particular artist, record company or label affiliation, would best further their commercial purposes, and to promote such sound recordings more than others.

5.2. DISTROPHONIX LLC has the right to amend this agreement if current laws change concerning digital masters or it sees fit to do so otherwise. If any changes are to be made the RIGHTS HOLDER shall be informed within 30 days. The RIGHTS HOLDER at that time may either agree to the new terms or shall have the sole recourse to terminate this agreement and all other relations with DISTROPHONIX LLC.

5.3. DISTROPHONIX LLC may terminate this agreement only with the written permission of the RIGHTS HOLDER. A request by DISTROPHONIX LLC to terminate this agreement must be submitted in writing to the RIGHTS HOLDER to be considered.

5.4. The RIGHTS HOLDER may terminate this agreement only with the written permission of DISTROPHONIX LLC. A request by the RIGHTS HOLDER to terminate this agreement must be submitted in writing to DISTROPHONIX LLC to be considered.

5.5. DISTROPHONIX LLC has the right to shop the catalog to other labels. They may be monetarily compensated for the sale of catalog or through a "finders fee" paid by the third party label. They may not however, be allowed to sell distribution rights to RIGHTS HOLDERS material without the direct written consent of the RIGHTS HOLDER.

5.5.1: DISTROPHONIX LLC and its partners shall have right to match or better any offer for physical or digital distribution for any releases distributed by Distrophonix LLC.

5.6. In no event shall either party be liable to the other party for indirect, incidental, consequential, or special damages, including loss of profits or punitive damages, even if advised of their possibility.

5.7. The RIGHTS HOLDER will indemnify and hold harmless and upon DISTROPHONIX LLC request, defend, DISTROPHONIX LLC and its officers and employees and its distributors and affiliates from and against any and all losses, liabilities, damages, costs or expenses (including reasonable attorneys fees and costs) arising out of claim by a third party by reason of breach of any obligations as outlined by this agreement by the RIGHTS HOLDER.

5.8. Each party represents and warrants that it has the 1. full authority to act on behalf of any and all owners of any right, title, and interest in and to the RIGHT HOLDERS content. 2. has the authority to enter into this agreement and has obtained any third party consents, licenses and permissions necessary to enter into and fully perform its obligations herein.

5.9. Each party represents and warrants that it owns or controls the necessary rights to enter into this contract without infringing on a third party.

5.10. Each party represents and warrants that it shall perform in compliance with any applicable laws, rules, and regulations of any governmental authority.

5.11. No agency or joint venture. The parties agree and acknowledge that the relationship between the parties is that of independent contractors. This agreement does not create a partnership or joint venture.

5.12. Binding on successors. This agreement shall be binding on the assigns, heirs, executors, and successors.

5.13. The titles used in this agreement are for connivance only and are not to be considered in construing or interpreting the agreement.

5.14. In the rare instance that one of the digital retailers chooses not to sell the RIGHTS HOLDERS song and/or album, this does not void the contract and DISTROPHONIX LLC is not to be held liable for other fees to get the song and/or album to the standards of the retailer. DISTROPHONIX LLC will make every effort possible to remedy the situation.

5.15. Any dispute arising out of or in connection with this contract, including any questions regarding its existence, validity or termination shall be referred to and finally resolved by arbitration under LCIA rules, which rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be one. The seat or legal place of arbitration shall be Baltimore, MD. The language used throughout arbitration proceedings shall be English. The governing law of the contract shall be the substantive law of the State of Maryland.

5.16. Neither party shall be liable in damages or have the right to terminate this Agreement for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its control including, but not limited to Acts of God, Government restrictions (including the denial or cancellation of any export or other necessary license), wars, server, software, or network failures, insurrections failure of suppliers and/or subcontractors and/or any other cause beyond the reasonable control of the party whose performance is affected. As a condition to the claim of nonliability, the party experiencing the difficulty shall give the other prompt written notice, with full details following the occurrence of the cause relied upon. Dates by which performance obligations are scheduled to be met will be extended for a period of time equal to the time lost due to any delay so caused.

6. DISTROPHONIX LLC OBLIGATIONS TO THE RIGHTS HOLDER

6.1. DISTROPHONIX LLC shall pay the RIGHTS HOLDER 80% of all money that it receives from the sales, streams, downloads and/or burns of the RIGHT HOLDERS digital masters.

6.2. DISTROPHONIX LLC shall provide the RIGHTS HOLDER with a statement proving how much the RIGHTS HOLDERS digital masters have made from streams, burns, and downloads and other digital sales.

6.3. DISTROPHONIX LLC shall pay the RIGHTS HOLDER quarterly for royalties that DISTROPHONIX LLC receives during that quarter. Payments shall be made following the standard fiscal calendar. If RIGHTS HOLDER's sales are over \$1,000 in said month, the payment shall be made at the end of the month which DISTROPHONIX LLC receives payments from digital retail stores.

6.4. DISTROPHONIX LLC shall only pay the RIGHTS HOLDER if the amount of the percentage of profits is greater than or equal to \$10.00. If the RIGHTS HOLDER percentage of profits is less than \$10.00 it shall be held over and paid at the next payment period after the amount of money owed to the RIGHTS HOLDER is greater than or equal to \$10.00.

6.5. If for any reason this agreement is voided DISTROPHONIX LLC shall pay the RIGHTS HOLDER for their percentage of the profits up until the date that the agreement is voided and DISTROPHONIX LLC no longer has the right to distribute the RIGHTS HOLDERS digital masters.

6.6. Payment to the RIGHTS HOLDER shall be made out to _____ (Name that you want to appear on the check) and it shall be mailed to

_____ (address to where the payment is to be mailed to.)

By signing below I understand and agree to/and with all of the terms included in this agreement.

By: _____ (Sign Here)

_____ (Print Name Here)

Date: _____

Name of Artist, Band, or Group _____

Name of Album Being Released _____

Address where artist, band, or group is based _____

Phone Number to be reached at _____

Email Address: _____

Coupon Code: _____

Referred by: _____

Where did you hear about Distrophonix LLC: _____

*Please list all applicable band members

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Checklist

*Checklist of what needs to be included when you send your package to Distrophonix LLC

___ FILLED OUT AND SIGNED DISTRIBUTION FORM (3 copies)

___ 2 AUDIO CD's OF YOUR RELEASE (please no MP3 versions)

___ BIO AND BAND PICTURE ON CDr (may also be emailed to submissions@Distrophonix LLC.com)

___ START TIMES FOR YOUR PREVIEWS AND RINGTONES

___ ARTWORK IF NOT RETAIL READY CDS
(jpg, 1400x1400, 300 dpi / may also be emailed to submissions@Distrophonix LLC.com)

___ TRACKLIST

___ BARCODE (may be purchased for \$15)

___ Check/Money order included (make check out to Distrophonix LLC)

___ Paypal (accounting@Distrophonix LLC.com)

___ PLEASE ALSO INCLUDE THIS CHECKLIST

MAIL TO: Distrophonix LLC
Attn: Digital Distro
517 Cathedral Street
Suite B.
Baltimore, MD 21201