

Soundrop® Music Services Agreement

1 - Acceptance of the Agreement

Please carefully read the following agreement (“Music Services Agreement” or “Agreement”), which creates a legally binding, enforceable contract between you and Audio & Video Labs, Inc. dba Soundrop, regarding your use of our content licensing and digital distribution services and the distribution-related elements of the Soundrop® website located at www.Soundrop.com/distribution, regardless whether accessed through the Soundrop Website located at www.Soundrop.com or a third-party platform (collectively, “Soundrop” or “Services”). Throughout this Agreement, “Company,” “us,” “our” and “we” refers to Soundrop; and “you” or “Content Distributor” refers to you, the content distributor — anyone who accesses our Services after signing in using your email address and password (“Soundrop Account”). This Agreement supersedes and replaces any prior agreements you and Company may have executed with respect to the Catalog (defined below), as well as any material previously submitted by you for distribution through Soundrop. The terms of this Agreement supplement and do not limit our Terms of Use, Copyright Policy, and Privacy Policy, located at www.Soundrop.com/legal, to which you have already accepted by using Soundrop, and which this Agreement incorporates by reference. In the event of a conflict between these terms and any other agreements between you and Company, including without limitation the Terms of Use, Copyright Policy and Privacy Policy, the terms of this Agreement shall govern unless provided otherwise in a separate signed writing between you and Company.

BY CLICKING BELOW THAT YOU AGREE TO THE AGREEMENT, YOU UNCONDITIONALLY CONSENT TO BE BOUND BY AND BECOME A PARTY TO THESE TERMS, WHETHER YOU ARE ACTING IN YOUR INDIVIDUAL CAPACITY OR AS THE AUTHORIZED REPRESENTATIVE FOR AN ARTIST, A GROUP OR A CORPORATION, IN WHICH CASE “YOU” SHALL REFER TO THE ARTIST, GROUP OR CORPORATION ON WHOSE BEHALF YOU ARE ACTING AND AUTHORIZED TO ACT. IF YOU DO NOT UNCONDITIONALLY AGREE TO ALL OF THESE TERMS, CLICK THE “CANCEL” BUTTON. THE “EFFECTIVE DATE” OF THIS AGREEMENT IS THE DATE ON WHICH YOU CLICK THE “AGREE AND FINALIZE ALBUM” BUTTON BELOW.

2 - What This Agreement Covers

We, the Company, provide digital distribution and access to licensing services to owners and distributors of content, as well as digital asset management services, including metadata management, catalog encoding, reporting services, and mechanical royalty clearance and administration. You, the Content Distributor, are in the business of recording, producing and/or marketing sound recordings, musical compositions, and/or other intellectual property owned, administered or distributed by you. By agreeing to these terms, you hereby warrant that you are the owner or the authorized distributor of the sound recording copyright(s) and, where not otherwise designated under your account in the back-end content distribution and management system provided through Soundrop (“Soundrop Artist Application”), any musical compositions embodied in the sound recording copyright(s) submitted by you to Company.

This Agreement covers digital distribution and other rights in and to the copyrights associated with the content you submit to Company, including any and all current and future sound recordings and, where not otherwise designated by you in the Soundrop Artist Application, any underlying musical compositions embodied in such content (the “Music”). Additionally, this Agreement covers all other digital assets and the rights thereto, including without limitation, album covers and other artwork, image files, marketing materials, trade names, trademarks, and logos, etc., that you submit to Soundrop (“Digital Assets”). Together, the Music and the Digital Assets shall be referred to collectively as the Catalog (“Catalog”). You may from time to time elect to add to the Catalog by logging into the Soundrop Artist Application and supplying new content or amending existing content, the submission or amendment of which shall be subject to the terms of this Agreement.

3 - The Term and Termination of This Agreement

For any individual track or album within the Catalog that is made available through service providers, distributors, social media platforms, licensees, digital entertainment services, and any other third-party services available to you through Soundrop (“Third Party Distribution”), the term of this Agreement will commence on the Effective Date and will continue, unless and until terminated by either you or us, upon twenty-four (24) hours written notice (the “Term”), which notice, if sent by (a) Soundrop, may be sent to you at the last e-mail address you provided to Soundrop and (b) you to Soundrop, must be sent only to the following e-mail address: support@Soundrop.com with the following information: (x) your username; (y) the e-mail address associated with your Soundrop Account; and (z) all album titles for which you are requesting termination. Any termination notice provided by you pursuant to this section shall be permanent and irreversible.

Notwithstanding anything to the contrary herein, Soundrop may at any time in its sole discretion, with or without notice to you: (i) suspend or limit your access to or your use of the Services and/or (ii) suspend or limit your access to your Soundrop Account.

Soundrop is not responsible for, and has no liability for, any delays of our Licensees in removing your Catalog from any websites or services owned or operated by such Licensees. You shall remain solely responsible for enforcing the removal of your Catalog from our Licensees’ websites and services in the event such Licensees fail to remove your Catalog following receipt of a Takedown Notice or following the termination of any rights granted to such Licensees by Soundrop; provided, however, that Soundrop may, in its sole and absolute discretion, continue to assist you to effectuate the removal of your Catalog from Licensees’ websites and services. Soundrop may, but need not, provide you with notice in the event Soundrop terminates or allows to expire any authorizations previously granted to a Licensee for the distribution of your Catalog. Nothing in this Agreement shall limit any remedies you may have at law or in equity against any Licensee that is using your Catalog in violation of the terms of any license granted to such Licensee by you or Soundrop.

4 - Your Content on the Rest of the Internet

You may authorize Company to distribute your Catalog or any individual album within your Catalog to Third Party Distribution service providers.

Your participation in Third Party Distribution is optional and based on the settings authorized by you in the settings section of the Soundrop Artist Application. However, to the extent necessary for Company to facilitate the Third Party Distribution authorized by you in the settings section of the Soundrop Artist Application, you hereby grant to Company the right and authorization to distribute, license, sell, stream, transmit, synchronize, perform, promote, and otherwise exploit such Catalog and any and all rights in and to the sound recording(s) and, where not otherwise designated by you in the Soundrop Artist Application on Soundrop, the underlying composition(s) in such Catalog, throughout the Universe, in any and all media or formats now known or hereafter devised, including without limitation and where applicable digital retailers, digital entertainment services (Internet sites, mobile or online services, and other entities distributing entertainment products in a digital format), audio and/or audiovisual works of any description (including in commercial advertisements, theatrical motion picture films, free, cable, and pay per view television, video games, websites, branded content, mobile/tablet applications), and both non-interactive and interactive, radio and media. Such authorization and grant of rights to Company shall be exclusive as to the Third Party Distribution, including without limitation any service providers, distributors, social media platforms, licensees, digital entertainment services, and other services, authorized in the Soundrop Artist Application.

Should any authorized Third Party Distribution service provider, distributor, social media platform, licensee, digital entertainment service or other service provide non-interactive radio webcasting, satellite radio, and cable subscription services, you hereby grant Company the sole and exclusive right to collect all income deriving from the Recordings as your authorized sound recording copyright owner representative, i.e. income and or levies deriving from digital, reproduction, and performance uses, under statute, industry agreement or otherwise from sound recording collection bodies, if not already collected by you, your agent or an agent authorized by the sound recording copyright owner as of the date you authorize Third Party Distribution under this agreement (provided, only if you give us written notice of any such prior collection arrangements promptly following the date of such authorization).

5 - Additional Rights to Help Us Market and Sell Your Content

Your grant of rights to Company in this Agreement shall include the right to collect, administer and distribute all revenue derived therefrom, including any advertising revenue or media revenue and revenue deriving from digital, mechanical, and performance uses, under statute, industry agreement, or otherwise and, if applicable, any non-interactive radio webcasting, satellite radio, and cable subscription royalties from Sound Exchange (and any other authorized organization or successor thereto) and Audio Home Recording Act royalties from the Alliance of Artists and Recording Companies (and any other authorized organization or successor thereto). All licenses shall be executed by Company as agent, and in such regard, Content Distributor grants Company and its employees the right and authority to execute license agreements on its behalf during the Term. Company does not guarantee placement of the Content with any service providers, distributors, social media platforms, licensees, digital entertainment services, or any other third-party services, and reserves the right to reject distribution of any Content in its discretion.

Without limiting the generality of the foregoing, it is understood that Company shall have the right to directly market, promote, sell, or otherwise exploit the Catalog through Soundrop and through its Services, as well as by way of syndication from the Company's servers to other sellers or to consumers by way of linking, co-branded sites, widgets, data services, or platform integrations. You hereby grant Company a non-exclusive, gratis, fully paid-up, and royalty-free right and license to reproduce, stream, store, publicly perform, transmit, and otherwise use the Music and Digital Assets, in connection with marketing, promotion, and licensing of the Catalog ("Marketing Rights"), as well as the right to authorize others to make use of the Marketing Rights to the extent necessary to facilitate the Third Party Distribution authorized by you throughout the Universe. This includes, without limitation, the distribution of gratis digital downloads to songwriters and music publishers for review in connection with mechanical licensing. You hereby waive any right to collect any proceeds or other remuneration whatsoever for the exercise of such Marketing Rights, and shall be responsible for all clearances and payments of any kind whatsoever in respect of such use, except for use of any musical compositions embodied in the Catalog and designated by you as Covers.

In addition, you hereby grant to Company and Company's licensees, partners, affiliates, agents and designees the right to use the names, likenesses, and biographical material of any artists appearing in the Content submitted by you to Soundrop, in connection with exploitation of the Content and/or the marketing and promotion thereof. Such rights shall not include merchandising rights in anything other than the Music. Content Distributor shall retain the right to commercially release and/or distribute the Catalog in physical formats, e.g., vis-à-vis compact disc, or to sell, distribute, promote, and otherwise exploit the Catalog through direct-to-consumer music platforms, provided that such platforms do not prevent Company from performing the Third Party Distribution authorized by you.

6 - How We Pay You

What we pay you ("Content Distributor's Share") is based on the provisions of this Section and the distribution percentages set forth in the Pricing section of the Soundrop Artist Application, which may be viewed by signing in with your Soundrop Account and accessing <http://www.Soundrop.com/pricing>, and which is hereby incorporated by reference. These distribution percentages do not apply any royalties payable to you for cover songs of your compositions licensed pursuant to this Agreement, which shall be paid to you in entirety.

For any sale, license, or other exploitation of an individual track or album through Third Party Distribution, one of two percentages shall apply to the Gross Revenue after a) the deduction of marketplace costs, including without limitation any fees, payments, royalties or other consideration collected by aggregators and digital retail stores, and b) the deduction of any licensing fees and royalties payable to song publishing licensors and compulsory mechanical licensors: (i) for any album or track which has not been designated by you as a Cover Song or Medley, the Soundr Distribution percentage shall be applied to the Gross Revenue derived from Third Party Distribution; and (ii) for any track designated by you as a Cover, the applicable listed Soundrop Distribution percentage for Covers shall be applied to all Gross Revenue derived from Third Party Distribution.

Company shall have the right to recoup from amounts payable to Content Distributor all expenses incurred by Company in connection with any of Content Distributor's releases. Company's payment of any sums hereunder, including Content Distributor's Share and any royalties for DPDs licensed pursuant to this Agreement, is conditioned upon your fulfillment of all obligations described hereunder and receipt of your completed U.S. Federal Tax form W-9 or, as applicable, form W-8BEN, submitted in digital PDF format through your User Account or, only if expressly authorized in writing by Company, in physical format. Content Distributor shall be solely responsible for tracking and paying any taxes and governmental fees associated with or incurred in exploitation of the Catalog through Soundrop Distribution, including without limitation any tariffs, value-added taxes or governmental fees.

We will attempt to provide you with accounting details on a daily basis in Soundrop Artist Application, but we shall not be deemed in breach of this Addendum for failure to provide you with such information on a daily basis. We will use commercially reasonable efforts to provide you with payments for digital distribution (by check or electronic transfer) within seven (7) business days from the date that your Soundrop Account balance exceeds a threshold amount (the dollar amount set by you initially upon your registration with Soundrop, or as subsequently modified by you, which amount shall in no event be less than \$10). You may withdraw funds by physical check for a charge of \$2.00 USD per check withdrawal to cover processing fees. If a check is not redeemed after 180 days from the date it was issued, the funds (minus the fee) will be returned to your Soundrop Account. Funds may also be requested in the form of a direct deposit (ACH), which will incur a fee of \$2.50 for bank accounts located outside of the United States; direct deposits to US based bank accounts are free of charge. Not all countries are eligible for direct deposit, contact support@Soundrop.com for more information. Additional fees for returned direct deposit (ACH) transactions will be your responsibility. Funds may also be requested in the form of a PayPal payment, which will incur a processing fee of \$2.00 USD per transaction. Such payment shall constitute full and adequate consideration for all rights granted, and all obligations undertaken, by you in this Agreement. All accountings rendered and payments made by Soundrop to you shall be binding upon you and not subject to any objection for any reason unless specific objection in writing, stating the basis thereof is given to Soundrop within one (1) year from the date rendered. Statements and payments shall be sent in accordance with the relevant instructions set by you initially upon your registration with Soundrop. No generalized objection (such as, but not limited to, a generalized claim of over-reporting of deductions or underreporting of income or any similar generalization) shall be deemed a valid objection.

Unless other payment arrangements are made between you and Company, Company shall remit payment to you according to the settings in your Soundrop Artist Application, including via PayPal or, subject to a processing fee, via physical check to the address provided by you.

Content Distributor shall have the right to appoint a certified public accountant who has signed confidentiality agreement with respect to Company's books, to audit Company's books and records to verify the accuracy of such statements, once with respect to any statement, once in each year, at Content Distributor's expense, at the place where Company maintains such records, during Company's normal business hours and on at least thirty (30) days' prior notice. All objections concerning payments hereunder shall be submitted by Content Distributor within one (1) year after the date of payment, after which time all objections shall be waived.

7 - Processing Your Content

Subsequent to your acceptance of these Terms, your payment of any fees payable under the Pricing section of the Soundr Artist Application, and your delivery of the digital files of the Content with accurate metadata and cover artwork that fulfill the requirements set forth in the Album Settings section of the Soundrop Artist Application, Company shall procure Mechanical Licenses for any Covers, and/or shall deliver the Music and applicable Digital Assets to the Third Party Distribution services.

You may indefinitely withhold any of the Music from any store(s) of your choosing by selecting the appropriate option in the Soundrop Artist Application prior to the submission of the release. You may also, after withholding Music from a particular store, email support@Soundrop.com to request delivery of the Music to such store, at Company's discretion.

8 - Modifications to This Agreement

We reserve the right to make modifications to this Agreement from time to time, excluding modifications to the Soundrop Distribution percentage that would decrease Content Distributor's Share. Any such modifications will be made by updating and posting a new version on this Website and notifying you of the revised Agreement in accordance with the settings in your Soundrop Account and/or the Soundrop Artist Application on Soundrop. By using Soundrop, you agree to be bound by the terms and conditions of the version of this Agreement that is in force during your use of the Services, as well as all applicable local, national, and international laws and regulations. In the event that we make any other changes to this Agreement, we will provide you with the opportunity to review and approve the terms prior to use of the Services. Should any modification be unacceptable to you, your sole recourse is to discontinue use of the Services.

9 - Your Obligations to Third Parties

In connection with exploitation of the Catalog contemplated hereunder, you shall be solely responsible for (a) all record royalties due to artists, producers and other persons who performed in the making of the Music and other royalty participants, (b) all royalties due to any party as a result of samples included in the Music (c) all payments that may be required under collective bargaining agreements applicable to you and your affiliates, and (d) all music publishing licenses and royalties.

10 - Warranties; Representations; Indemnity

Each party warrants and represents to the other party that it has the right and authority to enter into and perform this Agreement, and that it will comply with all applicable laws in the performance of this Agreement.

Additionally, you hereby warrant and represent that you own, control and/or administer the Catalog, including both the Music and the Digital Assets, that the Catalog shall not infringe on the copyrights, trademarks, patents, moral rights, trade secrets, intellectual property rights, privacy rights, contractual

rights, or other rights of any person or entity and, without limitation, that Company shall have the right to exploit the Catalog in all manner hereunder free from adverse claim and without any obligation to make any payment of any nature to any person or entity, other than the amounts due to you described under this Agreement.

Notwithstanding breach of warranties hereunder, you hereby agree to defend, indemnify, and hold Company harmless from any and all costs, losses, damages, or expenses arising out of any breach of the foregoing warranties and representations. You also hereby agree to indemnify, defend, and hold Company and those authorized by Company to use and/or exploit the Catalog harmless from and against any and all claims, damages, costs, liabilities, and expenses, including reasonable counsel fees and litigation expenses, arising out of the use of the Catalog as contemplated hereunder. If a claim is made, Company reserves the right to withhold payment of royalties hereunder in an amount reasonably related to the claim and potential expenses. If you are acting for the benefit of, and/or as an agent or representative of any artist, individual, group, or corporation, you and the parties that you represent shall be bound to the terms of this Agreement and shall be jointly and severally liable for your breach of the Agreement and for breach of the Agreement by any of the parties you represent. COMPANY DISCLAIMS ANY WARRANTY NOT EXPRESSLY SET FORTH HEREIN, AND DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN ADDITION, COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS AS TO THE FUNCTIONALITY, PERFORMANCE, OR RESULTS OF COMPANY'S WEBSITE OR SERVICE. UNDER NO CIRCUMSTANCES AND UNDER NO LEGAL THEORY, WHETHER IN TORT, CONTRACT, OR OTHERWISE WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER.

Soundrop makes no guarantees regarding the minimum number of unit sales or uses of your Catalog. In addition, we cannot guarantee that licensees will perform under any agreement they enter into with Soundrop for the sale, distribution or licensed use of your Catalog, including by paying the royalties they owe us for the distribution of your Catalog. If a licensee refuses to pay us for the use of your Catalog, you agree that you will assume responsibility for collecting any payments that may be due from such non-compliant licensees for any sale, distribution or licensed use of your Catalog if such third party fails or refuses to pay such amounts to Soundrop upon Soundrop's request.

11 - Communications

Any notice, demand, or other communication which may be or is required to be given under this Agreement must be in writing and must be either: (a) personally delivered; (b) transmitted by United States postage prepaid mail, registered, or certified mail, return receipt requested; (c) transmitted by reputable overnight courier service, such as Federal Express; (d) transmitted by legible facsimile (with answer back confirmation); or (e) transmitted by electronic mail, with confirmation of receipt from both parties.

12 - Other Legal Matters

The provisions of this Agreement are solely for the benefit of the parties hereto and not for the benefit of any third parties, except that Company shall have the right to assign this Agreement and/or any of the rights herein and this Agreement shall be binding upon and inure to the benefit of the Company's assignee(s) hereto and their respective successors, assigns and legal representatives.

Your waiver, amendment, or modification of any provision of this Agreement shall not be effective unless agreed to by both parties in writing. No failure or delay by either party in exercising any rights, power, or remedy under this Agreement shall operate as a waiver of any such right, power, or remedy.

This Agreement will be governed by and construed in accordance with the internal laws of the State of Oregon, excluding that body of laws known as choice of law or conflict of laws. Any dispute arising hereunder shall be settled by binding arbitration in Portland, Oregon, in accordance with the rules of the American Arbitration Association by an arbitrator appointed in accordance with said rules.

This Agreement contains the full understanding between the parties with respect to the subject matter of this Agreement and supersedes all prior statements, representations, discussions, negotiations, and agreements, both oral and written, applicable to the terms of this Agreement.

If Company is materially hampered in the fulfillment of its obligations under this Agreement by reason of fire, flood, water damage, power failure, catastrophe, terrorism, strike, war, failure of computer systems, or other force majeure event ("Force Majeure Event"), the Term and Company's fulfillment of its obligations shall be suspended and Company shall not be deemed in breach as a result thereof, provided that Company provides written notice to Content Distributor no later than thirty (30) days following the Force Majeure Event. No such suspension shall exceed six (6) months from the date of notice.

This Agreement may only be changed by a written document agreed to by both parties. Termination of this Agreement will not relieve either party of any obligations that by their nature are intended to survive termination, including without limitation the obligations relating to ownership provisions, representations, warranties, disclaimers, and indemnification.

This Agreement may be executed in one or more counterparts, including by means of a .PDF transmission, each of which counterparts shall be deemed an original, but which together shall constitute one and the same instrument.

Should any term of this Agreement be finally determined by a court of competent jurisdiction to be invalid, unenforceable, or otherwise contrary to law and equity, the parties agree that such provision shall be construed, limited, modified or, if necessary, severed, to the extent necessary to eliminate its invalidity or unenforceability, and that the other provisions of this Agreement shall remain unaffected. By clicking the "Agree and Finalize Album" button, you are confirming that you have been advised as to your right to consult independent legal counsel regarding these terms and that you agree to the terms as of the Effective Date.

This is a binding contract. You can have an attorney review these terms if you'd like. We really look forward to working with you.

Last Updated – August 31, 2016