

# 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 (“you”, “your”, or “Content Distributor”) and Audio and Video Labs, Inc. dba Soundrop (“Soundrop”, “us,” “our” and “we”), 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](http://www.Soundrop.com/distribution), regardless whether accessed through the Soundrop Website located at [www.Soundrop.com](http://www.Soundrop.com) after signing in using your email address and password (“Soundrop Account”), or through a third-party platform (collectively, “Soundrop” or “Services”). This Agreement supersedes and replaces any prior agreements you and Soundrop 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, 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 Soundrop, 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 Soundrop.

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 ALSO 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 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 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, any musical compositions embodied in the sound recording copyright(s) submitted by you to Soundrop.

This Agreement covers digital distribution and other rights in and to the copyrights associated with the content you submit to Soundrop, including any and all current and future sound recordings and, where

not otherwise designated by you in your Soundrop Account, 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 your Soundrop Account 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) terminate, suspend or limit your access to or your use of the Services and/or (ii) terminate, 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 authorize Soundrop 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 your Soundrop Account. However, to the extent necessary for Soundrop to facilitate the Third Party Distribution authorized by you in the settings section of the your Soundrop Account , you hereby grant to Soundrop 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 your Soundrop Account , the underlying composition(s) in such Catalog, throughout the Universe, in anyand 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 ofany 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 Soundrop 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 your Soundrop Account.

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 Soundrop the sole and exclusive right to collect all income deriving from the Catalog 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 Soundrop in this Agreement 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 Soundrop as agent, and in such regard, you grant Soundrop and its employees the right and authority to executelicense agreements on your behalf during the Term. Soundrop 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 Soundrop 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 Soundrop's servers to other sellers or to consumers by way of linking, co-branded sites, widgets, data services, or platform integrations. You hereby grant Soundrop 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 Soundrop and Soundrop'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. You 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 Soundrop 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 Website and within your Soundrop Account, which may be viewed by 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 Soundrop 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 or Medley, the applicable listed Soundrop Distribution percentage for Covers shall be applied to all Gross Revenue derived from Third Party Distribution.

Soundrop shall have the right to recoup from amounts payable to Content Distributor all expenses incurred by Soundrop in connection with any of Content Distributor's releases. Soundrop's payment of any sums to you hereunder, including Content Distributor's Share and any royalties for digital phonograph deliveries ("DPD") 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, the appropriate form W-8, submitted through the 'Update payment info' link in your Soundrop Account or, only if expressly authorized in writing by Soundrop, in physical format. You shall be 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, provided, however, that Soundrop shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges which Soundrop is required to withhold. Soundrop shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

We will attempt to provide you with accounting details on a daily basis in your Soundrop Account, but shall not be deemed in breach of this Agreement 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 Soundrop, Soundrop shall remit payment to you according to the settings in your Soundrop Account, including via PayPal or, subject to a processing fee, via physical check to the address provided by you.

You shall have the right to appoint a certified public accountant who has signed confidentiality agreement with respect to Soundrop's books, to audit Soundrop's books and records to verify the accuracy of such statements, once with respect to any statement, once in each year, at your expense, at the place where Soundrop maintains such records, during Soundrop's normal business hours and on at least thirty (30) days' prior notice. You must submit any objections concerning payments hereunder 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 Soundrop website, 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 your Soundrop Account, Soundrop shall procure Mechanical Licenses for any Covers, and/or shall deliver the Music and applicable Digital Assets to the Third Party Distribution services. Notwithstanding the foregoing, if your Music is not eligible for statutory licensing, you shall be solely responsible for procuring the rights and permissions necessary for the use and exploitation of your Music under this Agreement.

You may indefinitely withhold any of the Music from any store(s) of your choosing by selecting the appropriate option in your Soundrop Account prior to the submission of the release. You may also, after withholding Music from a particular store, email [support@Soundrop.com](mailto:support@Soundrop.com) to request delivery of the Music to such store, at Soundrop'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 the Soundrop Website and notifying you of the revised Agreement in accordance with the settings in your Soundrop Account. 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 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 and Representations Disclaimer

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 Soundrop 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.

SOUNDROP 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, SOUNDROP MAKES NO WARRANTIES OR REPRESENTATIONS AS TO THE FUNCTIONALITY, PERFORMANCE, OR RESULTS OF SOUNDROP'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.

## 11 - Indemnity

You hereby agree to defend, indemnify, and hold Soundrop and its subsidiaries, affiliates, officers, agents, employees, partners, and Licensees 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 Soundrop and those authorized by Soundrop 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 (collectively, "Claim" or "Claims"). You agree to reimburse us, on demand, for any payment made by us at any time with respect to any Claims to which the foregoing indemnity applies. Pending the resolution of any claim, demand, or action, we may, at our election, withhold payment of any monies otherwise payable to you hereunder in an amount reasonably related to the Claim and potential expenses and which does not exceed your potential liability to us. 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.

If we make an indemnification request to you under this Section, we may permit you to control the defense, disposition or settlement of the matter at your own expenses, provided that you shall not, without our prior written consent, enter into any settlement or agree to any disposition that requires any admission of liability by Soundrop and/or its subsidiaries, affiliates, officers, agents, employees, partners, and any Licensee or customer of a Licensee or imposes any conditions or obligations on Soundrop or the aforementioned parties (for the purposes of this Section 11, the "Indemnified Parties") other than the payment of monies that are readily measurable for purposes of determining your monetary indemnification or reimbursement obligations to the Indemnified Parties. If the Indemnified Parties, in their reasonable and good faith judgment conclude that you are not capable of defending the interests of one or more of the Indemnified Parties against any Claims, then the Indemnified Parties, either individually or collectively, shall have the option to control the defense in any matter or litigation through counsel of their own choosing to defend against any such Claim for which you owe the Indemnified Parties an indemnification, and the costs of such counsel, as well as any court costs, shall be at your expense.

## 12 - No Minimum Guarantee

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.

## 13 - Limitation of Liability; Basis of the Bargain

(a) SOUNDROP, ITS SUBSIDIARIES, AFFILIATES, OFFICERS, AGENTS, EMPLOYEES, PARTNERS AND LICENSEES SHALL NOT BE LIABLE TO YOU FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY NATURE, FOR ANY REASON, INCLUDING, WITHOUT LIMITATION, THE BREACH OF THIS AGREEMENT OR ANY TERMINATION OF THIS AGREEMENT, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE, EVEN IF WE HAVE BEEN WARNED OF THE POSSIBILITY OF SUCH DAMAGES. SOUNDROP SHALL ALSO NOT BE LIABLE FOR ANY ROYALTIES, FEES, PAYMENTS OR DAMAGES ARISING OUT OF THE FAILURE OF ANY LICENSEE TO PAY SOUNDROP OR YOU ANY ROYALTIES THAT ARE DUE FOR ANY USE OR MISUSE OF YOUR CATALOG, WHETHER PURSUANT TO AN EXISTING, EXPIRED OR TERMINATED AGREEMENT WITH SOUNDROP OR OTHERWISE. SOUNDROP'S TOTAL LIABILITY TO YOU FOR ANY BREACH OF THIS AGREEMENT SHALL IN ALL INSTANCES BE LIMITED TO THE AMOUNT OF MONIES ACTUALLY PAID TO YOU BY SOUNDROP FOR THE DISTRIBUTION OR LICENSING OF YOUR CATALOG DURING THE SIX (6)-MONTH PERIOD IMMEDIATELY PRECEDING THE DATE OF YOUR CLAIM AGAINST SOUNDROP.

(b) APPLICABLE LAW MAY NOT ALLOW THE LIMITATION OR EXCLUSION OF LIABILITY OR INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU. IN SUCH CASES, YOU AGREE THAT BECAUSE SUCH DISCLAIMERS AND LIMITATIONS OF LIABILITY REFLECT A REASONABLE AND FAIR ALLOCATION OF RISK BETWEEN YOU AND SOUNDROP AND ARE FUNDAMENTAL ELEMENTS OF THE BASIS OF THE BARGAIN BETWEEN YOU AND SOUNDROP, SOUNDROP'S LIABILITY SHALL BE LIMITED TO THE MAXIMUM EXTENT PERMITTED BY LAW. YOU UNDERSTAND AND AGREE THAT SOUNDROP WOULD NOT BE ABLE TO OFFER ITS SERVICES TO YOU ON AN ECONOMICALLY FEASIBLE BASIS WITHOUT THESE LIMITATIONS AND WOULD NOT OFFER SUCH SERVICES ABSENT A LIMITATION OF LIABILITY.

## 14 - Mandatory Arbitration

**Mandatory Arbitration.** Please read this carefully. It affects your rights. YOU AND SOUNDROP AND EACH OF OUR RESPECTIVE SUBSIDIARIES, AFFILIATES, PREDECESSORS IN INTEREST, SUCCESSORS, AND PERMITTED ASSIGNS AGREE TO ARBITRATION (EXCEPT FOR MATTERS THAT MAY BE TAKEN TO SMALL CLAIMS COURT), AS THE EXCLUSIVE FORM OF DISPUTE RESOLUTION EXCEPT AS PROVIDED FOR BELOW, FOR ALL DISPUTES AND CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR YOUR USE OF THE SERVICES. Arbitration is more informal than a lawsuit in court. Arbitration uses a neutral arbitrator instead of a judge or jury, allows for more limited discovery than in court, and is subject to very limited review by courts. Arbitrators can award the same damages and relief that a court can award. Please visit

www.adr.org for more information about arbitration.

**Commencing Arbitration.** A party who intends to seek arbitration must first send to the other, by certified mail, a written notice of intent to arbitrate (a “Notice”), or, in the absence of a mailing address provided by you to Soundrop, to you via any other method available to Soundrop, including via e-mail. The Notice to Soundrop should be addressed to:

Audio & Video Labs, Inc. dba Soundrop  
ATTN: Soundrop – Legal  
9600 NE Cascades Pkwy Ste 180  
Portland, OR 97220  
[legal@Soundrop.com](mailto:legal@Soundrop.com)

(the “Arbitration Notice Address”). The Notice must (i) describe the nature and basis of the claim or dispute; and (ii) set forth the specific relief sought (the “Demand”). If you and Soundrop do not reach an agreement to resolve the claim within 30 days after the Notice is received, you or Soundrop may commence an arbitration proceeding as set forth below or file a claim in small claims court. THE ARBITRATION SHALL BE ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION (“AAA”) IN ACCORDANCE WITH ITS COMMERCIAL ARBITRATION RULES AND THE SUPPLEMENTARY PROCEDURES FOR CONSUMER RELATED DISPUTES (THE “Rules”), AS MODIFIED BY THIS AGREEMENT. The Rules and AAA forms are available online at [www.adr.org](http://www.adr.org) or by calling the AAA at 1-800-778-7879, or by writing to the Notice Address. If you are required to pay a filing fee to commence an arbitration against Soundrop, then Soundrop will promptly reimburse you for your confirmed payment of the filing fee upon Soundrop receipt of Notice at the Arbitration Notice Address that you have commenced arbitration along with a receipt evidencing payment of the filing fee, unless your Demand is equal to or greater than \$1,000, in which case you are solely responsible for the payment of the filing fee.

**Arbitration Proceeding.** The arbitration shall be conducted in the English language. A single independent and impartial arbitrator shall be appointed pursuant to the Rules, as modified herein. You and Soundrop agree to comply with the following rules, which are intended to streamline the dispute resolution process and reduce the costs and burdens on the parties: (i) the arbitration shall be conducted by telephone, online and/or be solely based on written submissions, the specific manner to be chosen by the party initiating the arbitration; (ii) the arbitration shall not require any personal appearance by the parties or witnesses unless otherwise mutually agreed in writing by the parties; and (iii) any judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction.

**No Class Actions.** YOU AND SOUNDROP AGREE THAT YOU AND SOUNDROP MAY BRING CLAIMS AGAINST THE OTHER ONLY IN YOUR OR ITS INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. FURTHER, YOU AGREE THAT THE ARBITRATOR MAY NOT CONSOLIDATE PROCEEDINGS OF MORE THAN ONE PERSON’S CLAIMS, AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING, AND THAT IF THIS SPECIFIC PROVISIO IS FOUND TO BE UNENFORCEABLE, THEN THE ENTIRETY OF THIS MANDATORY ARBITRATION SECTION SHALL BE NULL AND VOID.

**Decision of the Arbitrator.** Barring extraordinary circumstances, the arbitrator shall issue their decision within 120 days from the date the arbitrator is appointed. The arbitrator may extend this time limit for an additional 30 days in the interests of justice. All arbitration proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed, except as necessary to

obtain court confirmation of the arbitration award. The award of the arbitrator shall be in writing and shall include a statement setting forth the reasons for the disposition of any claim. The arbitrator shall apply the laws of the State of California in conducting the arbitration. You acknowledge that this Agreement and your use of the Site evidences a transaction involving interstate commerce. The United States Federal Arbitration Act shall govern the interpretation, enforcement, and proceedings pursuant to the Mandatory Arbitration clause in this Agreement.

**Applicable Law.** This Agreement and your use of the Soundrop Services shall be governed by the substantive laws of the State of Oregon without reference to its choice or conflicts of law principles. Only if the Mandatory Arbitration clause is deemed to be null and void, then all disputes arising between you and Soundrop under this Agreement shall be subject to the exclusive jurisdiction of the state and federal courts located in Multnomah County, Oregon, and you and Soundrop hereby submit to the personal jurisdiction and venue of these courts.

**Equitable Relief.** The foregoing provisions of this Mandatory Arbitration section do not apply to any claim in which Soundrop seeks equitable relief of any kind. You acknowledge that, in the event of a breach of this Agreement by Soundrop or any third party, the damage or harm, if any, caused to you will not entitle you to seek injunctive or other equitable relief against Soundrop, and your only remedy shall be for monetary damages, subject to the limitations of liability set forth in this Agreement.

## 15 - 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; or (d) transmitted by electronic mail, with confirmation of receipt from both parties.

Audio & Video Labs, Inc. dba Soundrop  
ATTN: Soundrop – Legal  
9600 NE Cascades Pkwy Ste 180  
Portland, OR 97220  
legal@Soundrop.com

## 16 - Other Legal Matters

**Assignment.** 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 Soundrop 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 Soundrop's assignee(s) hereto and their respective successors, assigns and legal representatives. Notwithstanding the foregoing, Licensees and any Licensee customers are intended third party beneficiaries of this Agreement. This Agreement confers rights, remedies, benefits, representations, and warranties to Licensee and Licensee customers. The rights granted to a Licensee or a customer of a Licensee pursuant this Agreement shall be assignable by a Licensee or a customer of a Licensee except as otherwise limited in any agreement entered into between Soundrop and a Licensee.

**Waiver, Amendment and Modification.** 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.

**Claims.** You and Soundrop agree that, notwithstanding any other rights the party may have under law or equity, any cause of action arising out of or related to this Agreement, excluding a claim for indemnification, must commence within one year after the cause of action accrues. Otherwise, such cause of action is permanently barred.

**Improperly Filed Claims.** All claims you bring against Soundrop must be resolved in accordance with the arbitration procedure set forth above in the Mandatory Arbitration Section. All claims filed or brought contrary to the arbitration procedure set forth above shall be considered improperly filed. Should you file a claim contrary to the arbitration procedure set forth above, Soundrop may recover attorneys' fees and costs up to \$5,000, provided that Soundrop has notified you in writing of the improperly filed claim, and you have failed to promptly withdraw the claim.

**Complete Understanding.** 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.

**Construction.** Wherever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words without limitation. In relation to the rights, remedies, and benefits granted hereunder, and the representations and warranties herein, the term "Licensees" is deemed to include licensees' sublicensees as well as Licensees' successors and assigns.

**Force Majeure.** If Soundrop is materially hampered in the fulfillment of its obligations under this Agreement by reason of fire, pandemic, act of government, flood, water damage, power failure, catastrophe, terrorism, strike, war, failure of computer systems, or other force majeure event ("Force Majeure Event"), the Term and Soundrop's fulfillment of its obligations shall be suspended and Soundrop shall not be deemed in breach as a result thereof.

**Survival; Unenforceability.** 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 payment, audit, ownership provisions, representations, warranties, disclaimers, and indemnification. 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 provisions 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.

**Counterparts.** 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.

By clicking the “Agree and Finalize Album” button, you are confirming that you understand this is a binding contract, have been advised as to your right to consult independent legal counsel regarding these terms, and you agree to the terms as of the Effective Date. We really look forward to working with you.

Last Updated – October 13<sup>th</sup>, 2021

## Sync Distribution Addendum

Welcome to the Soundrop Sync Distribution Addendum between you and Soundrop. This Sync Distribution Addendum ("Sync Distribution Addendum", "Addendum") is part of and incorporates the terms of the Soundrop Music Services Agreement and contains additional terms under which Soundrop offers the Sync Distribution Service. To the extent that there is any contradiction between the terms of this Sync Distribution Addendum and any term(s) (a) in the Soundrop Music Services Agreement (including any other Addenda), and/or (b) in the Terms of Use the terms of this Sync Distribution Addendum will control.

### 1. Additional Authorization.

As further described below, this Addendum allows us to provide your Authorized Content (defined below) to our Licensees that specialize in licensing sound recordings (and the musical works embodied therein) for a variety of contexts, including film, television, video games, websites, multimedia, user-generated content, and various application programming interface ("API") services.

Please keep in mind that, although you may have defined the Authorized Territory for the use of Your Authorized Content for other purposes (e.g., for purposes of the Digital Download and Distribution Service), all licenses and authorizations granted, and all representations, warranties, undertakings and covenants made by you under this Sync Distribution Addendum are for uses and exploitations throughout the universe.

### 2. Additional Definitions.

For the purposes of this Sync Distribution Addendum, the following capitalized terms shall have the following meanings:

(a) "Sync" means contracts, of any duration, permitting third parties to synchronize, perform (including public performance), display, communicate to the public, reproduce, deliver, transmit, and/or otherwise use Your Authorized Content in and/or in connection with any and all media, and by any means, now known or hereafter devised, including films, videos, television programs (including cable and digital cable), advertisements (including commercials), games (including app-games, console games, and computer games), background music (e.g., in-store music, on-hold music, etc.), corporate projects/works (e.g., videos, slideshows, presentations, social media channels, teleconferences, podcasts, social media sites), video blogs, and merchandise (e.g., toys), New Media Projects, and to exploit Your Authorized Content in any and all online or mobile media, and which contracts may include the privilege to make a musical arrangement to the extent necessary without changing the basic melody, fundamental character or the lyrics of the composition, which arrangement will not be considered a "derivative work" by law. For specifically New Media Projects, these contracts may also include the right to make a limited number of physical reproductions (e.g., DVD, CD) of the Licensed Content in each New Media Project in which Your Authorized Content is used, not to exceed 100.

(b) "Authorized Term" has the meaning set forth in Section 5 of this Sync Distribution Addendum.

(c) "Gross Revenues" means all license fees, revenues, or other consideration (including barter transactions) paid or payable to a Licensee for any licensed use of Your License Content pursuant to the provisions of this Addendum.

(d) "New Media Project" means a production or project which makes use of new media or multimedia platforms, including website-music, Flash animations and presentations, videos, slideshows, Powerpoint presentations, online or mobile video sharing (e.g., Animoto), so-called "apps" (including app-games), and web-based online video games, but not any productions or projects that might be deemed to be for traditional distribution channels or platforms, such as traditional broadcast television, theatrical release, or DVDs/CDs (except for the limited number of copies described in Section 2(a) herein).

(e) "Represent" means the right to: (i) reproduce Your Authorized Content on computer servers owned or controlled by a Licensee; (ii) publicly perform, communicate to the public, publicly display, reproduce and distribute, without payment to you (or any third party, including any collection society(ies)) Your Authorized Content (including by way of offering permanent digital copies, full-length streaming transmissions, or both), through any online or mobile stores or other services operated by a Licensee, for purposes of permitting a Licensee's customers to preview Your Authorized Content for potential licensed use(s); (iii) publicly perform, communicate to the public, publicly display, reproduce and distribute, without payment to you (or any third party, including any collection society(ies)) Your Authorized Content for promotional purposes by way of full-length streaming transmissions, except that, in the case where such promotional streaming transmissions are not being accessed on a website or application of an online or mobile store or service offered by a Licensee (e.g., in the case of promotional streaming transmissions through widgets that users post on third party sites, such as promotional streaming transmissions through so-called "Facebook status updates"), the streaming transmissions will be limited to (90) seconds in duration; (iv) issue Sync licenses (pursuant to any further options selected from within your Soundrop Account); (v) authorize third parties to derive or generate revenues from the sale or barter of advertising to be displayed or performed in conjunction with audiovisual works embodying Your Authorized Content, provided such authorization is for a fee and not for free (except in the case of promotional uses expressly authorized by you); (vi) reproduce, distribute, publicly display, communicate to the public, and/or otherwise use, and authorize others to reproduce, distribute, publicly display, communicate to the public and/or otherwise use, the names and approved likenesses of, and biographical material concerning any artists, bands, producers and/or songwriters, as well as track and/or album name, and all artwork related to your sound recordings, or musical works, in connection with the use of Your Authorized Content; (vii) exercise or grant those rights which are not expressly granted under this Sync Distribution Addendum, but which may be reasonably necessary for Licensees, or customers of a Licensee, to have in furtherance of the intended purposes of this Sync Distribution Addendum; and (viii) fully sublicense (through single or multiple tiers) any of the foregoing rights or any of the other rights that Soundrop or Licensees are authorized to exercise pursuant to this Sync Distribution Addendum. Represent includes the right to create, and on YouTube and such other services that permit user-generated content to be uploaded to the service, derive or generate revenues from the sale or barter of advertising to be displayed or performed in conjunction

with, Album Artwork Videos incorporating your Authorized Content. "Album Artwork Videos" means videos where album artwork constitutes all or part of the visual element.

(f) "UGC Networks" means YouTube, Facebook, and such other services that permit user-generated content to be uploaded to the service; but only to the extent that Soundrop has entered into a written agreement with a Licensee specifically authorizing such other online video services.

(g) "Your Authorized Content" means the sound recordings, and the musical works embodied in such sound recordings, and any album related artwork, photos, liner notes, metadata and other material related to your sound recordings that you have provided to Soundrop and that you elect in your Soundrop Account to make available pursuant to this Sync Distribution Addendum. Any such sound recordings (and the musical works embodied therein), artwork, photos, liner notes, metadata, or other materials must be owned or controlled by you and/or have been cleared by you for all purposes and rights granted and authorized under this Sync Distribution Addendum. For the avoidance of doubt, Your Authorized Content embodies each sound recording and the musical work(s) (i.e., the music and lyrics) embodied in each sound recording.

### 3. Additional Grant.

In addition to the rights granted in the Soundrop Music Services Agreement, you hereby grant to Soundrop the non-exclusive right to sublicense Licensees, and to our designated Licensees the nonexclusive right, to Represent Your Authorized Content for use on a nonexclusive basis during the Term and throughout the universe in strict compliance with this Sync Distribution Addendum and any agreement separately entered into between Soundrop and a Licensee. Soundrop shall have sole discretion over the Licensees to be granted sublicenses pursuant to this Addendum.

### 4. Exclusive Content ID Administration Rights.

(a) During the Authorized Term and throughout the universe, Soundrop or one or more of its Licensees will, with respect to Your Authorized Content, be the exclusive administrator of all so-called "Content ID" controls (and any similar controls, including any controls that allow for the monetization of content that is identified via content-matching and/or audio fingerprinting technologies) on UGC Networks, it being acknowledged that this will allow Soundrop or our Licensees to (i) ensure that a Licensee's customers who have been granted a license pursuant to Section 3 of this Sync Distribution Addendum are able to exercise such license; and (ii) collect additional revenues that may be generated from the use of Your Authorized Content on UGC Networks consistent with the grant of rights in Section 3 of this Sync Distribution Addendum.

(b) In the event that the administration of Content ID controls (and/or similar controls) for any of Your Authorized Content is returned to you (e.g., after the Authorized Term), you will neither administer, nor authorize any third party(ies) to administer such Content ID controls (or similar controls) in a manner that would disable any licensed uses of Your Authorized Content that, during the Authorized Term, were authorized by Licensee or a customer of a Licensee.

## 5. Term.

The term of this Sync Distribution Addendum ("Authorized Term") commences on the date on which you clicked the "I Agree" button related to this Sync Distribution Addendum, and will continue unless and until terminated. If you wish to terminate the Authorized Term, you must provide us with written notice at support@soundrop.com. Within seven (7) business days of our receipt of your Termination Notice we shall advise Licensees that they are no longer authorized to Represent Your Authorized Content. If a Licensee fails to discontinue further licensing of Your Authorized Content following receipt of a notification of termination of a license, you retain all rights to pursue any causes of action against such third party, and hereby agree that you shall have no claims or causes of action, including, but not limited to, for monetary damages or injunctive relief, against Soundrop for any third party's unauthorized use of your licensed content. However, any licenses that, during the Authorized Term, shall have been issued by a Licensee, or by a customer of a Licensee, for the use of any of Your Authorized Content as permitted in this Sync Distribution Addendum, shall continue and remain in full force and effect, it being agreed that the term of any such licenses shall be separate and apart from the Authorized Term and will, accordingly, survive termination of the Authorized Term. Provisions of this Sync Distribution Addendum, which, by their nature or sense, are intended to survive the termination of the Authorized Term, including without limitation the obligations relating to payment, audit, ownership provisions, representations, warranties, disclaimers, and indemnification will survive the termination of the Authorized Term.

## 6. Payment.

For digital content exploited via Content ID on UGC Networks, such as Facebook's and YouTube's music recognition systems, we will pay you an amount equal to eighty-five percent (85%) of the net amount attributable to the use of Your Authorized Content and actually received by us from our Licensees for the licensed uses of your Authorized Content (the "Content ID Fees"). For all other exploitation of Your Authorized Content pursuant to the rights granted in this Sync Distribution Addendum, we will pay you an amount equal to sixty percent (60%) of the net amount attributable to the use of your Authorized Content and actually received by us from our Licensees for the licensed uses of your Authorized Content (the "Sync Fees"). Distribution fees owed to Soundrop by any entity with whom Soundrop has entered into a contractual relationship that are not received or collected by Soundrop (e.g., as a result of the other party's failure to perform under a contract) are not included within the calculation set forth in this Section 6. Soundrop will use commercially reasonable efforts to make a payment to you (by check or electronic transfer) for amounts generated pursuant to the rights granted in this Addendum no later than 15 days after amounts were actually received by Soundrop from a Licensee and your Threshold Amount has been met.

The current schedule of fees can be found at <http://www.Soundrop.com/pricing>. Payments pursuant to this Addendum are subject to the terms and conditions of the Music Services Agreement and constitute full and complete consideration for the licenses and authorizations granted, and representations, warranties, undertakings, and covenants made by you under this Addendum. Although Soundrop reserves the right to take any actions available to it in any dispute with a Licensee, nothing in this Sync Distribution Addendum obligates Soundrop to collect any amounts due it by a Licensee or initiate any cause of action against a Licensee for non-payment of any Soundrop Artist Royalties.

Soundrop's payment of any sums to you hereunder, including but not limited to Sync Fees, 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, the appropriate form W-8, submitted through your Soundrop Account or, only if expressly authorized in writing by Soundrop, in physical format. You shall be responsible for tracking and paying any taxes and governmental fees associated with or incurred in exploitation of Your Authorized Content through Soundrop Distribution and Content ID, including without limitation any tariffs, value-added taxes or governmental fees, provided, however, that Soundrop shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges which Soundrop is required to withhold. Soundrop shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

## 7. Third Party Clearances.

a. Third Party Clearances. You will be responsible for obtaining and paying for any and all clearances or licenses required throughout the universe for the use of Your Authorized Content. Without limiting the generality of the foregoing, you shall be responsible for and shall pay (i) any royalties and other sums due to artists (featured and non-featured), authors, co-authors, copyright owners and co-owners, producers, engineers, and any other record royalty participants from sales or other uses of Your Content, (ii) all mechanical royalties or other sums payable to music publishers and/or authors or co-authors of musical compositions embodied in Your Authorized Content from sales or other uses of Your Authorized Content, (iii) all payments that may be required under any collective bargaining agreements applicable to you or any third party (e.g., to unions or guilds such as AFM or AFTRA), and (iv) any other royalties, fees and/or sums payable with respect to Your Authorized Content or other materials provided by you to us. You agree that the amount payable to you is inclusive of any so-called "artist royalties" that might otherwise be required to be paid for sales or exploitations pursuant to the applicable laws of any jurisdiction and for any public performances, public displays or communications to the public of the sound recordings and musical works constituting Your Authorized Content. To the extent permitted by law, you hereby waive any so-called "moral rights" in Your Authorized Content applicable under the laws of any jurisdiction.

b. Notification of Collection Societies. If any portion of Your Authorized Content is now or in the future administered in any territory(ies) by any performance rights society, or any other collection society, you will be responsible for ensuring that such collection societies are notified of this Agreement, and of any other agreements or activities related to this Sync Distribution Addendum, in accordance with any obligations that may be applicable (e.g. obligations under agreements that relate to such collection societies' administration of public performance rights in Your Authorized Content).

Subject to the immediately succeeding sentence, and, except as expressly provided in this Sync Distribution Addendum, any Licensees shall have no right under this Sync Distribution Addendum to grant

a free license for the public performance of any of your musical works embodied in Your Authorized Content to any party that is a Licensee of a performing rights organization authorized to license your musical works as of the date such party obtains a license from a Licensee. The restrictions set forth in the foregoing sentence do not apply in the case of licenses for the public performance of any of the musical works embodied in Your Authorized Content where the applicable license shall have been issued for any New Media Project use.

#### 8. Representations and Warranties by You.

You represent and warrant to us that: (i) you have the full right, power, and authority to act on behalf of any and all owners of any right, title or interest in and to Your Authorized Content, including all musical compositions embodied in Your Authorized Content, and that you are authorized to provide Your Authorized Content to us for the uses specified in this Sync Distribution Addendum; (ii) If you are acting on behalf of an artist, band, group or corporation, you represent and warrant that you are fully authorized to enter into this Sync Distribution Addendum on behalf of such artist, band, group, or corporation and to grant all rights and assume and fulfill all of the obligations, covenants, representations and warranties set forth in this Sync Distribution Addendum; (iii) you own or control all of the necessary rights in Your Authorized Content in order to make the grant of rights, licenses, and permissions herein, and that you have permission to use the name and likeness of each identifiable individual person whose name or likeness is contained or used within Your Authorized Content, and to use such individual's identifying or personal information (to the extent such information is used or contained in Your Authorized Content) as contemplated by this Sync Distribution Addendum; (iv) the use or other exploitation of Your Authorized Content by us, or by Licensees, or by any customers of Licensees, all as contemplated and authorized by this Sync Distribution Addendum, will not infringe or violate the rights of any third party, including any privacy rights, publicity rights, copyrights, contract rights, or any other intellectual property or proprietary rights; (v) no rights in or to any of Your Authorized Content have been assigned or otherwise provided to any third party that obtained exclusive rights; and (vi) no fees or payments of any kind shall be payable to any third party for the use of Your Authorized Content as contemplated by this Sync Distribution Addendum.

