

## ***DIGITAL DISTRIBUTION AGREEMENT***

This Digital Distribution Agreement (this "Agreement") is made effective as of (Date) \_\_\_\_\_, \_\_\_\_\_ with (Artist(s)) \_\_\_\_\_, of (State) \_\_\_\_\_, \_\_\_\_\_, and Mega Music Distribution and Management of Atlanta GA. This agreement is only for 24 (twenty four) months unless negotiated for a 12 (twelve) month period. It will automatically renew along with any marketing campaign for an additional 24 (twenty four) months unless negotiated for a 12 (twelve) month period from the start date above or date that the marketing campaign for the release was initiated. This applies to all clients who receive distribution or marketing campaigns with Mega Music Distribution and Management.

The parties agree as follows:

**I. RIGHT TO SELL.** (Artist(s)) \_\_\_\_\_ digital audio files of the unreleased records by (Artist(s)) \_\_\_\_\_ ("Digital audio files of unreleased records by (Artist(s)) \_\_\_\_\_"). In accordance with this Agreement, (Artist(s)) \_\_\_\_\_ grants Mega Music Distribution and Management an exclusive right to sell the Digital audio files of unreleased records by (Artist(s)) \_\_\_\_\_ under the terms of this Agreement. (Artist (s)) to deliver to Mega Music Distribution and Management, on consignment, the Digital audio files of unreleased records by (Artist(s)) \_\_\_\_\_. Mega Music Distribution and Management agrees to devote its best efforts to the sale of the Digital audio files of unreleased records by (Artist(s)) \_\_\_\_\_. All sales prices and terms of sale shall be determined Mega Music Distribution and Management.

**II. PROCEEDS OF SALES.** Mega Music Distribution and Management will pay to (Artist(s)) \_\_\_\_\_ a portion of the sales proceeds which shall be calculated as follows: 80% of the proceeds from the sale of the digital audio files in annual installment(s) on or before the twenty-first day following the installment period in which the proceeds were obtained. With each net proceeds payment, Mega Music Distribution and Management will submit to (Artist(s)) \_\_\_\_\_ a written report that sets forth the calculation of the amount of the net proceeds payment and the extent of current inventory. Mega Music Distribution and Management has the right to negotiate a management fee if a record deal is obtained by (Artist(s)) \_\_\_\_\_. During the duration of this agreement. If (Artist(s)) \_\_\_\_\_ provides Their own marketing budget the the royaltly percentage changes to a higher percentage which is negotiable. If budget will be supplied by (Artist(s)) \_\_\_\_\_ list the amount and modified royalty percentage split in the blanks. (Budet Amount) \$ \_\_\_\_\_ (Royalty Split) % \_\_\_\_\_/\_\_\_\_\_

**III. RECORDS.** Mega Music Distribution and Management will keep accurate records regarding the quantities of the Digital audio files of unreleased records by (Artist(s)) \_\_\_\_\_ that are sold. (Artist(s)) \_\_\_\_\_ shall have the right to

inspect such records from time to time after providing reasonable notice of such intent to Mega Music Distribution and Management.

**IV. TITLE TO MERCHANDISE.** Consigned merchandise shall remain the property of (Artist (s)) \_\_\_\_\_ until sold.

**V. LOSS AND INSURANCE.** Mega Music Distribution and Management shall be responsible for all shortages, loss, or damage, while the merchandise is under the control of Mega Music Distribution and Management. Mega Music Distribution and Management shall maintain insurance in adequate amounts to pay for replacement of the merchandise in the event of such shortages, loss, or damage.

**VI. PAYROLL TAXES.** Mega Music Distribution and Management shall be exclusively liable for all employee payroll taxes and insurance arising out of wages payable to persons employed by Mega Music Distribution and Management in connection with the performance of this Agreement.

**VII. DEFAULTS.** If Mega Music Distribution and Management fails to abide by the obligations of this Agreement, including the obligation to remit the consignment payment to (Artist(s)) \_\_\_\_\_ when due, (Artist(s)) \_\_\_\_\_ shall have the option to cancel this Agreement by providing 90 days' written notice to Mega Music Distribution and Management. Mega Music Distribution and Management shall have the option of preventing the termination of this Agreement by taking corrective action that cures the default, if such corrective action is taken prior to the end of the time period stated in the previous sentence, and if there are no other defaults during such time period.

**VIII. DISPUTE RESOLUTION.** The parties will attempt to resolve any dispute arising out of or relating to this Agreement through friendly negotiations amongst the parties. If the matter is not resolved by negotiation, the parties will resolve the dispute using the below Alternative Dispute Resolution (ADR) procedure.

Any controversies or disputes arising out of or relating to this Agreement will be submitted to mediation in accordance with any statutory rules of mediation. If mediation is not successful in resolving the entire dispute or is unavailable, any outstanding issues will be submitted to binding arbitration under the rules of the American Arbitration Association. The arbitrator's award will be final, and judgment may be entered upon it by any court having proper jurisdiction.

**IX. TRANSFER OF RIGHTS.** This Agreement shall be binding on any successors of the parties. Neither party shall have the right to assign its interests in this Agreement unless the prior written consent of the other party is obtained.

**X. TERMINATION.** This Agreement may be terminated by either party by providing 90 days' written notice to the other party.

**XI. ENTIRE AGREEMENT.** This Agreement contains the entire agreement of the parties with respect to the subject matter of this Agreement and there are no other promises or conditions in

any other agreement, whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties with respect to the subject matter of this agreement.

**XII. AMENDMENT.** This Agreement may be modified or amended, if the amendment is made in writing and is signed by both parties.

**XIII. SEVERABILITY.** If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

**XIV. WAIVER OF CONTRACTUAL RIGHT.** The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

**XV. APPLICABLE LAW.** This Agreement shall be governed by the laws of the state of Georgia.

**XVI. SIGNATORIES.** This Agreement shall be signed by (Artist(s)) \_\_\_\_\_ and on behalf of Mega Music Distribution and Management by \_\_\_\_\_, null. This Agreement is effective as of the date first written above.

Consignor:

By: \_\_\_\_\_

(Artist(s))

Consignee:  
Mega Music Distribution and Management

By: \_\_\_\_\_

\_\_\_\_\_

null