

DIGITAL DISTRIBUTION TERMS AND CONDITIONS

1. DISTRIBUTION TERM

1.01 (a) The term of this Agreement shall be for thirty (30) days (the "Initial Term"). The Initial Term shall automatically renew for successive thirty (30) day periods (the "Renewal Term"). After the Initial Term, either Party may terminate this Agreement by giving sixty (60) days prior written notice, and the effective date of such termination shall be the last day of the then-current Term. The Initial Term and Renewal Term(s), if any, are collectively referred to as the "Term."

(b) Notwithstanding anything to the contrary contained herein, and without limitation of any of Outpost's rights and remedies set forth herein, if any Debt owed by Company to Outpost remains unrecouped or unpaid as of the date that the Term is terminated or would otherwise expire, at Outpost's election, the Term may be extended until the end of the billing month following the billing month in which such Debt has been entirely recovered by Outpost or otherwise repaid by Company.

2. TERRITORY

2.01 Territory: Universe, excluding any restricted territories specified by Company on a Record-by-Record basis.

3. OUTPOST'S RIGHTS

3.01 During the Term, Outpost will have the exclusive right in the Territory to distribute Records embodying Master Recordings that during the Term are owned or controlled by Company, to Outpost Retailers.

3.02 Outpost will have the exclusive right to sell and distribute Company's Records throughout the Territory in any and all media including, but not limited to, the following:

(a) The right to copy, reproduce, display, publicly perform, host, distribute, sell and transmit Company's Records in the Territory directly to consumers by means of any and all media now known or hereafter devised, including, without limitation, as an Electronic Transmission.

(b) The right to any licensing of the Records distributed hereunder and any individual Masters embodied thereon (e.g., the licensing of the Masters embodied on Records to third parties for use in audio and audio-visual works including, but not limited to, compilations, motion pictures, television productions, videogames). Notwithstanding the generality of the foregoing, Outpost will obtain Company's written (including e-mail) approval prior to entering into license agreements with third parties.

3.03 Notwithstanding anything to the contrary contained herein, Outpost will have the right, without liability to Company and without limiting its other rights, to decline to distribute or to discontinue the distribution of any Record hereunder for any reason, including, but not limited to (a) if, in the opinion of Outpost's legal counsel, such distribution might violate a statute, law or regulation, or violate any rights of any Persons or entities, (b), if Outpost believes that its distribution of any of Company's Records hereunder would constitute a breach by Company of any of Company's agreements, warranties or representations contained herein or if Outpost reasonably deems the Record or the associated artwork to be offensive to reasonable standards of public morals, and (c) the submitted Records do not comply with Outpost then current submission specifications. Notwithstanding the preceding sentence, in the event the objectionable material is later eliminated or the source of objection is removed, Company may resubmit such Record to Outpost for distribution hereunder. In the event five (5) or more Rights Disputes are asserted against Company

in a thirty (30) day period, Outpost may refuse to accept any more Records for distribution under this Agreement until Company has sufficiently addressed the source of such Rights Disputes to the satisfaction of Outpost. Outpost will use reasonable efforts to make the Records available for sale on third party services, carriers, websites or other platforms but makes no guarantee as to the timeliness of such availability or the manner in which it is presented by Outpost Retailers to the public. Company understands and agrees that Outpost shall not be liable for any actual or potential lost revenue due to a delay or failure to have the Records available via third party services, carriers, websites or other platforms, however, Outpost will work with Company and Outpost Retailers to facilitate as many of Company's preferences as possible.

3.04 (a) Outpost will have the right to perform Records hereunder publicly and to permit the public performances thereof in any medium and by any means whatsoever, whether now or hereafter known. Outpost will also have the right to edit Records into shorter works ("Clips") solely for the discovery, promotion and exploitation of Records without further approval from Company, provided that such edits are necessary and within the scope of industry-standard activity. Company hereby waives any right to collect any proceeds or other remuneration whatsoever for the distribution of Clips. Further, to the extent applicable, Company shall be responsible for all clearances and payments of any kind whatsoever in respect of such use, including without limitation, for use of the compositions embodied in the Clips.

(b) Solely with respect to the Mobile Products, Outpost will have the right to:

(i) edit Masters and Videos into shorter works (as short as five seconds [:05]) in order to create, without limitation, master-tones, master ring-back tones, video ring-tones, video ring-back tones and similar products and to digitally transform the Mobile Products into transmittable digital data without further approval from Company, provided that such edits are within the scope of industry-standard activity;

(ii) distribute, deliver, upload, download and otherwise transmit the Mobile Products for sale to consumers over the internet or over a transmission network (e.g., SMS or WAP or other device interface) for transfer to a consumer's individual telecommunications device solely for consumer's personal, non-commercial use;

(iii) publicly perform the Mobile Products in streaming format on websites (including social networking sites), other internet outlets for the discovery and exploitation of the Mobile Products, carrier decks owned or controlled by Outpost Retailers solely on a gratis basis for purposes of promoting the sale of the Mobile Products;

3.05 Outpost will have the right to publicise, promote, advertise and exploit Company's Records and to cause or permit others to do so. In addition, Outpost will have the right to use, print, disseminate and publish and to permit others to use and publish Company's, each artist's and each producer's likeness, name, voice, sound effects and biographical material, or any reproduction or simulation thereof, in connection with Outpost's general goodwill advertising, as well as the sale, advertisement, promotion, distribution and exploitation of Records hereunder or to refrain therefrom, without payment of additional compensation to Company or any other Person. All material provided by Company to Outpost in relation to this paragraph 3.05 may be edited solely to fit the format of the specific use without further approval from Company.

3.06 Outpost will have the non-exclusive and royalty-free license and right to use Company's applicable trademark(s), service mark(s) or logo(s) during the full Term hereunder (and after such term to the extent Outpost has the right to continue to distribute Records hereunder as provided below) at no additional cost to Outpost. Company's submission of any material which includes Company's trademark(s), service mark(s) and/or logo(s) will be deemed to be

instructions to Outpost for Outpost to use such trademark(s), service mark(s) and/or logo(s) (individually and collectively "Company's Marks"), as submitted.

3.07 Outpost shall have the non-exclusive right to sub-license the rights granted by Company to Outpost in this Agreement as necessary to Outpost Retailers solely to fulfil the purposes of this Agreement, including but not limited to those rights necessary to promote, market, advertise, distribute and sell the Records to consumers. Outpost's grant of rights to Outpost Retailers or use of the Records shall always be subject to the terms and limitations of this Agreement;

3.08 Company authorises Outpost to claim and collect on its behalf all public performance royalties payable to Company, including, without limitation, any payments by SoundExchange, Inc., payments by any other Persons that collect public performance royalties on behalf of sound recording copyright owners, and royalties payable under Section 114 of the U.S. Copyright Act. At Outpost's request, Company shall execute and deliver to the collection agency a Letter of Direction, in form and in substance satisfactory to Outpost, and shall take other actions as are reasonably necessary for Outpost to exercise its right hereunder.

4. **PAYMENTS/ACCOUNTINGS**

4.01 (a) Outpost shall pay Company the Digital Revenue Share and Ancillary Revenue Share (referred to together as "Revenue Share") as outlined in the Revenue Shares section less all Deductions, as defined below ("Net Revenue Share"). If mutually agreed by the parties in writing (including via email), Revenue Shares may be adjusted or service fees may be assessed on a per-project basis, for example, in consideration of Company's utilisation of additional supplementary services from Outpost. The amount of any such service fees shall be recoupable from Revenue Share hereunder.

(b) With respect to Records distributed hereunder, no later than sixty (60) days after the end of the calendar month during which Outpost's normal billing month ends, Outpost will send Company a statement covering the Net Revenue Share earned by Company during the billing month concerned, and will remit to Company the Net Revenue Share payable to Company for such billing month. For the avoidance of doubt, Outpost shall have no obligation to pay Company the Net Revenue Share for Revenue which Outpost has not actually received until such time as Outpost receives such Revenue.

(c) If, with respect to any billing month hereunder, the statement shows a balance in Outpost's favour, Company will pay the amount of such excess to Outpost within thirty (30) days after receipt of Company's statement covering the excess owed by Company during the billing month concerned or, if Company fails to pay Outpost in accordance with the foregoing, the amount of such excess shall be a direct Debt from Company to Outpost, which among its other remedies (including, without limitation, the right to withhold any payments otherwise due to Company or to terminate this Agreement) Outpost may deduct from any monies payable to Company.

4.02 Revenue for Records sold for distribution or exploited outside the United States ("foreign sales") will be computed in the same national currency and at the same rate of exchange as Outpost is accounted to by its Outpost Retailers with respect to the sale or exploitation concerned and will be subject to costs of conversion and any taxes applicable to Revenues remitted by or received from Outpost Retailers. [Revenues on Records sold or exploited outside the United States are not due and payable by Outpost until payment therefore has been received by or credited to INgrooves in the United States in U.S. dollars.] For purposes of accounting to Company, Outpost will treat any foreign sale as a sale made during the same billing month in which Outpost receives its Outpost Retailer's accounting and payment for that sale. If Outpost does not receive payment in the United States in U.S. Dollars and is required to accept payment in a foreign

country or in a foreign currency, Outpost will deposit to Company's credit (at Company's request and expense) in such currency in a depository selected by Company in the country in which Outpost accepts payment of Company's Net Revenue Share due and payable with respect to such sales. Such deposit will fulfil Outpost's obligations in connection therewith. If any law, government ruling or other restriction affects the amount that an Outpost Retailer can remit to Outpost, Outpost may deduct from Company's Revenue Share an amount proportionate to the reduction in such Outpost Retailer's remittances.

4.03 Outpost shall deduct from Company's Revenue Share any exchange rate, bank transfer, administration or commission charges levied from INgrooves financial transfer to Outpost.

4.04 No payment shall be made to Company with respect to any billing month during the Term hereof if the Net Revenue Share in respect of the billing month concerned is less than one hundred and seventy-five pounds (£175). In such event, the amount of Net Revenue Share withheld by Outpost shall be credited to Company's account hereunder and will be paid to Company no later than sixty (60) days after the end of the calendar month during which Outpost's normal billing month ends with Company's account reflecting a Net Revenue Share balance in excess of one hundred and seventy-five pounds (£175).

4.05 All payments to Company from Outpost shall be made via one of the following forms of payment, as requested by Company: Paypal, wire transfer, or paper cheque. Company shall be responsible for all costs and fees associated with these types of payment. If Outpost incurs costs and fees at the time of payment to Company all such fees and costs shall be deducted from the amounts payable to Company at the time such payments are made. Changes to the designated payee or mailing address shall be submitted in writing to Outpost at least two (2) weeks before such changes are to take effect. If a cheque is sent and Company requests a new cheque with a different payee or sent to a different address then bank fees associated with cancelling the initial cheque shall be deducted from the amount sent.

4.06 All statements shall be binding upon Company and not subject to objection by Company unless specific objection in writing, stating the basis thereof, is given to Outpost within two (2) years from the date the statement is rendered. Company shall have two (2) years from the date each statement is rendered to conduct an inspection of Outpost's books and records specifically relating to Company's sales and payment activity. Such inspection shall take place at the location where Outpost normally keeps such books and records and shall be conducted during normal business hours in such a manner so as not to disrupt Outpost's other functions and will be completed promptly. All such inspections shall be made upon a minimum of thirty (30) days' prior written notice to Outpost. Company may only inspect records relating to each statement once and may only conduct an inspection once a year. In accounting to Company, Outpost shall have the absolute right to rely upon the statements it receives from third parties and shall not be liable in any manner whatsoever for any error, omission or other inaccuracy of any such statement(s) or information received by Outpost, provided Outpost does not know or has no reliable business reason to know of an error, omission or other inaccuracy in such third party statement or information. Company's auditor will review his or her tentative written findings with a member of Outpost's finance staff designated by Outpost before rendering a report to Company so as to remedy any factual errors and clarify any issues that may have resulted from misunderstanding.

5. COMPANY'S OBLIGATIONS

5.01 Company will be fully responsible for the following obligations and will directly pay all third party costs incurred in connection with such obligations:

- (a) Royalties and other payments to the artist, producers and any other third party royalty participant which may become due and payable with respect to Records distributed by Outpost hereunder;
- (b) All recording and production costs incurred with respect to the Records distributed hereunder and any and all applicable union or guild payments including so-called "per-record" or trust fund payments;
- (c) Any and all sales, use or other taxes levied on any of the sums payable to Company hereunder which have not been previously deducted by Outpost from Company's monthly accountings;
- (d) All costs incurred with respect to the hiring and maintenance of Company's promotion, marketing and advertising staff utilised to promote, market and advertise Records distributed hereunder, and all expenses attendant thereto, including, without limitation, all costs of marketing records and producing videos;
- (e) All Mechanical Royalties payable to publishers with respect to the Musical Compositions embodied on Records distributed hereunder, as further set forth in Article 7 hereinbelow.

5.02 Notwithstanding anything to the contrary contained herein, Outpost may, at its sole discretion, pay on Company's behalf any of the costs or expenses referred to in paragraph 5.01 hereinabove. If Outpost pays any such costs or expenses, which it will be under no obligation to do, such amounts will be a direct Debt from Company to Outpost, which among its other remedies (including, without limitation, the right to withhold any payments otherwise due to Company or to terminate this Agreement) Outpost may deduct from any monies payable to Company hereunder.

5.03 Company shall list any previously-assigned ISRC or UPC when submitting Records to Outpost. Outpost shall assign ISRC or UPC codes to new Content upon Company's request on a track-by-track basis. Company shall not request new ISRC or UPC codes to be assigned to Records already assigned an ISRC or UPC.

5.04 (a) Neither party hereto shall disclose the terms of this Agreement to any other Person (other than to those of their respective employees, agents and attorneys who have a need to know such information), except as may be required by applicable law, court process or by any regulatory or other governmental agency (in which event the disclosing party will use reasonable efforts to advise the non-disclosing party of such required disclosure so that the non-disclosing party may have an opportunity to seek a protective order or other appropriate remedy to prevent or limit such disclosure).

Notwithstanding the foregoing, an inadvertent failure to comply with this provision which does not result in a material disclosure of the terms of this Agreement shall not constitute a breach of this Agreement, unless repeated failures form a pattern of non-compliance. In the event either party elects to terminate the Term of this Agreement by reason of the other's breach of the provisions of this paragraph 5.04, the non-breaching party shall, without limiting any of its other rights and remedies hereunder, notify the breaching party of such breach, in writing, and the Term of this Agreement shall terminate on the earlier of: (i) the last day of the twelfth (12th) calendar month immediately following the date of the non-breaching party's termination notice; or (ii) the last day of the month during which Company either assumes its own manufacturing and distribution of Company's Records or secure the manufacturing and distribution services of a third party.

- (b) The parties hereto agree that any press release or releases to be issued regarding this Agreement or its subject matter shall be mutually agreed upon prior to the issuance thereof,

except as may be required by applicable law, court process or by any regulatory or other governmental agency.

5.05 In the event of new organisations being added as Outpost Retailers under this Agreement (each, a "New Retailer"), Company shall be notified of such additions by email or Client Console announcement and, before Outpost distributes Records to the New Retailer, Company shall have no less than one (1) week to opt-out from said distribution by means of written communication with a Outpost client representative (including via email) or through the Client Console.

6. **TERMINATION**

6.01 Upon the expiration or termination of this Agreement and notwithstanding anything to the contrary contained herein, Outpost will have the right to secure payment from Company of any outstanding Debt, and will have, without limitation, each and every one of the following remedies:

- (a) Outpost may recover any Debt from any monies otherwise payable to Company hereunder, including without limitation, Revenue Share.
- (b) If Outpost has made at least one (1) attempt to recover all such Debt pursuant to the remedy provided in paragraph 6.02(a) hereinabove, but such attempt is unsuccessful for any reason, Outpost may require Company to pay Outpost any such Debt upon five (5) days' notice.
- (c) Outpost will have the right, without limiting its other rights or remedies, at its sole discretion, to continue to distribute Company's Records which had previously been distributed under this Agreement, until such time as Company has paid Outpost the full amount of such Debt or, in the alternative, until Outpost has recouped the full amount of such Debt out of Company's Revenue Share.

6.02 During the Term, Company may upon thirty (30) days written notice to Outpost terminate the Agreement with respect to any particular Record distributed solely as an Electronic Transmission under this Agreement without affecting the Agreement for the remaining Records. In the event that Company wishes to remove more than ten (10) Records (determined on a track-by-track or album-by-album basis, whichever is less) within a thirty (30) day time period for any reason other than termination of this Agreement, Company agrees to pay Outpost the applicable fee set forth in the Rate Card.

7. **REPRESENTATIONS AND WARRANTIES**

7.01 Company hereby represents and warrants as follows:

- (a) Company is not and will not be under any disability, restriction or prohibition in respect of Company's rights to execute this Agreement and perform Company's obligations hereunder or to grant to Outpost the rights granted herein;
- (b) Company shall make any and all payments due to artists, producers, musicians, performers, writers, publishers and applicable unions, guilds, collectives, other groups and all other third parties whose work or performances are embodied on the Record and on all artwork submitted by Company, and Company acknowledges that Outpost shall not be obligated to make any payments whatsoever to Company or to any third parties other than the payments as detailed in The Revenue Shares section.;
- (c) Company has and will have the right to mechanically record the selections recorded on the Records. Neither the Masters embodied on the Records, nor the performances embodied thereon, nor any other Materials as hereinafter defined, nor any authorised use thereof by Outpost or its grantees, licensees or assigns, will violate or infringe the rights of any third

- party. "Materials" as used herein means: all Musical Compositions and other copyrighted materials; each name or sobriquet used by Company, any artist (individually or as a group) or any individual producer; and all other musical, dramatic, artistic and literary materials, ideas and other intellectual properties furnished or selected by Company, any artist (individually or as a group) or any individual producer and contained in or used in connection with any Records distributed hereunder or the packaging, sale, distribution, advertising, publicising or other exploitation thereof;
- (d) Company is, and for so long as Outpost shall have distribution or other exploitation rights hereunder shall be, the sole and exclusive owner or the exclusive licensee of all right, title and interest, under copyright and otherwise, in and to Company's Records and the Master Recordings embodied thereon;
 - (e) Neither Company nor Company's Affiliates will enter into any agreement with any Person (other than Outpost) for the distribution, sale and other exploitation of any Master Recordings embodying any performances contained on the Records hereunder, unless such agreement solely involves the distribution and sale of Records outside the Territory;
 - (f) Company is the owner of any trademark or logo appearing on Records to be used by Outpost and no other Person has any interest therein. Where Company is not the owner of the trademark or logo, Company represents and warrants that Company has the rights to use and authorise third-party use of such trademarks and logos, and so authorises the use of said trademarks or logos by Outpost.
 - (g) Outpost's exercise of any of the rights granted to Outpost hereunder will not violate any law or the rights of any Person, and Company agrees to indemnify and hold Outpost free and harmless from any claim brought against Outpost in connection with Outpost's exercise of any of its rights hereunder;
 - (h) Neither Company nor Company's Affiliates nor any other entity owned or controlled by Company has any agreement (written or oral) or has made any promise or is in any way obligated to anyone (including independent distributors) other than Outpost with respect to the exploitation of the Records in the Territory during the Term, and no agreement or promise, whether oral or written, will in any way impact upon or interfere with or impair this Agreement or Outpost's rights herein, or give anyone other than Outpost the right to distribute and sell the Records or to buy Records from Company or any of the above in the Territory during the Term.

8. **MISCELLANEOUS**

8.01 Each Party will at all times indemnify and hold the other Party harmless from and against any and all claims, damages, liabilities, costs and expenses, including legal expenses and reasonable attorney fees, arising out of any breach or alleged breach by the indemnifying Party of any representation, warranty or agreement made by indemnifying Party herein (the "Indemnification Claim"). The indemnifying Party will reimburse the indemnified Party on demand for any payment made at any time after the date hereof with respect to any liability or claim in which the indemnified Party is entitled to be indemnified. Company may control the defence of any such Indemnification Claim and shall be responsible for all legal costs and expenses associated with the defence on behalf of Company and Outpost. If Company does not provide Outpost with written notice of Company's intent to control the defence of the Indemnification Claim, or Company fails to respond within a period of seven (7) days from the date of receipt of the notice by Outpost of the Indemnification Claim, Outpost shall be entitled to control the defence of the Indemnification Claim, and Company shall reimburse Outpost's reasonable outside legal costs and expenses incurred in defending the Indemnification Claim.

Outpost will have the right to withhold from any payments due an amount reasonably related to the potential liability in issue; provided that Outpost shall release all amounts withheld if the Indemnification Claim is withdrawn or resolved or if no court proceedings are issued within a period of twelve (12) months from the date of receipt of notice of the Indemnification Notice unless Outpost can demonstrate that there are reasonable grounds for believing that court proceedings may commence after such twelve (12) month period. Notwithstanding the foregoing, in the event that Company posts a surety bond approved by Outpost with regard to form, amount and bonding company to cover Company's potential liability in issue, including reasonably anticipated outside legal costs and expenses for defending the Indemnification Claim, Outpost shall not withhold any amounts payable to Company pursuant to the Agreement. The failure or delay in providing notice of the Indemnification Claim shall not relieve the indemnifying Party of its obligations except to the extent the Indemnifying Party is materially prejudiced by the failure or delay of an Indemnification Notice.

8.02 All notices and communication desired or required between the Parties may be made via e-mail transmission; provided, however, that the sending Party obtain proof of receipt of such communication by the recipient either by return letter, e-mail or fax. Notices that relate to any claim referenced in the above section 8.01, as well as all notices of termination shall be given in writing and delivered either personally or via an overnight commercial carrier which provides proof of delivery all with the charges prepaid by the sender to the address set forth in the Label Information section for each Party with a copy to david@outpostgroup.co.uk.

8.03 Neither Party will not be deemed in default hereunder if the Party's obligations hereunder are delayed or become impossible or impractical by reason of any act of God, war, fire, earthquake, strike, sickness, accident, civil commotion, epidemic, act of government or governmental instrumentality (whether federal, state, local or foreign), failure of technical facilities, failure or delay of transportation facilities, shortage of raw materials, or any other cause of a similar or different nature beyond the Party's control (hereinafter called a "force majeure contingency"). Upon the happening of any force majeure contingency the Party may, in addition to any other rights or remedies it may have hereunder or otherwise, elect by notice to the other Party to suspend the term of this Agreement for the duration of said force majeure contingency. In the event of any such suspension, specific date, period and time requirements referred to herein will be postponed or extended accordingly.

8.04 (a) Outpost may assign its rights under this Agreement, in whole or in part, to any subsidiary, affiliated or controlling corporation, to any Person owning or acquiring a substantial portion of the stock or assets of Outpost, or to any partnership or other venture in which Outpost has a meaningful interest, and such rights may be assigned by any assignee. Outpost may also assign its rights to any of its licensees, if advisable in Outpost's sole discretion to implement the license granted. Subject to the provisions of paragraph 8.04(b) herein below, Company may not assign its rights hereunder in whole or in part to any Person without the express prior written consent of Outpost, not to be unreasonably withheld.

(b) Outpost shall have the option, but not the obligation, to terminate this Agreement, in the event that control of Company is acquired by any competitor of Outpost. For the purposes of this Agreement, a "competitor" of Outpost shall include, but not be limited to, media companies (including, but not limited to, any company that is in the business of recording, licensing, exploiting, distributing or facilitating the distribution of musical sound recordings or Musical Compositions). Furthermore, in the event that Company is acquired by any Person, neither Company nor the acquiring Person shall change the primary trademarks and service marks associated with any service which encompasses any activity authorised by Company under this Agreement, without the consent of Outpost, not to be

unreasonably withheld. Acquisition of control, for the purposes of this Agreement, shall mean any transaction or related group of transactions in which a Person (other than Company) acquires the ownership of more than fifty percent (50%) of Company's voting stock or membership interests or acquires the ability to control the conduct of Company's business.

8.05 (a) Each of the following shall constitute an event of default hereunder: (i) if Company commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect or consents to the entry of an order for relief in any involuntary case is entered under such law or consents to the appointment of or taking possession by a receiver, liquidator, assignee, trustee or sequestrator (or similar appointee) of Company or any substantial part of Company's property or Company makes an assignment for the benefit of creditors or takes any act (whether corporate or otherwise) in furtherance of any of the foregoing; (ii) a court having jurisdiction over the affairs or property of Company enters a decree or order for relief in respect of Company or any of Company's property in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect in the U.S. or any foreign jurisdiction or appoints a receiver, liquidator, assignee, custodian, trustee or sequestrator (or similar appointee) of Company or for any substantial part of Company's property or orders the winding up or liquidation of Company's affairs and such decree or order remains unstayed and in effect for a period of fifteen (15) consecutive days; (iii) Company fails to fulfil any of its material obligations under this Agreement for any other reason (subject to the notice-and-cure provisions hereunder); (iv) in the event any payment to Company by Outpost under this Agreement becomes subject, in any manner, to anticipation, alienation, sale, transfer, assignment (except as permitted pursuant to this Agreement), levy, pledge, encumbrance or charge, or to attachment, garnishment or other legal process, or (v) Company materially changes the scope and nature of its record operations. Upon the occurrence of any of the events described in this paragraph 8.05(a), in addition to any other rights or remedies which Outpost may have, time being of the essence hereof, (i) any and all amounts owed by Company to Outpost then unpaid shall become immediately due and payable to Outpost without notice or demand, (ii) Outpost shall have the right to suspend the running of the Term and/or Outpost's obligations to Company hereunder (including all payment obligations) and/or (iii) Outpost shall have the right to terminate the Term and this Agreement without further notice or cure rights (whether or not during a period of suspension based on such event or based upon any other event), and thereby be relieved of all liability (except in connection with Records, if any, distributed prior to such termination).

(b) Company hereby acknowledges and agrees that (a) this agreement constitutes a license of rights to intellectual property (within the meaning of Section 365(n) of the Bankruptcy Code) by Company to Outpost, and (b) for purposes of Section 365(n) of the Bankruptcy Code, the royalty payments due to Company under this agreement are (and consist solely of) the Revenue. For purposes of this paragraph 8.05(b), the term "Bankruptcy Code" means Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq., as amended from time to time.

8.06 In entering into and performing this Agreement, Company and Outpost each have and will have the status of independent contractors, and nothing herein will contemplate or constitute either Party as the other's joint venturer, partner, agent or employee. Nothing in this Agreement, express or implied, is intended to confer upon any other Person any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

8.07 Outpost will consult with Company with respect to the initial release date of each Record distributed under this Agreement.

8.08 This Agreement contains the entire understanding of the parties hereto relating to the subject matter hereof and cannot be changed or terminated except by an instrument signed by an officer of Outpost and an officer of Company. A waiver by either party of any term or condition for the future, or of any subsequent breach thereof will not be deemed a waiver thereof in whole or in part. All remedies, rights, undertakings, obligations and agreements contained in this Agreement will be cumulative and none of them will be in limitation of any other remedy, right, undertaking, obligation or agreement of either party.

8.09 (a) This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to agreements made and entirely to be performed therein. Each of the parties hereto irrevocably consents that any legal action or proceeding against it under, arising out of or in any manner relating to this Agreement may be brought in the state or federal courts of the State of California. Each of the parties hereto, by the execution and delivery of this Agreement, expressly and irrevocably assents and submits to the personal jurisdiction of such courts in any such action or proceeding. Each of the parties hereto further irrevocably consents to the service of any complaint, summons, notice or other process relating to any such action or proceeding by delivery thereof to it by hand or by mail in the manner provided for herein. Any process in any action or proceeding commenced in the courts of the State of California or elsewhere arising out of any such claim, dispute or disagreement, may, among other methods, be served upon Company or Outpost by delivering or mailing the same, via registered or certified mail, addressed to Company or Outpost at the address first above written or such other address as Company or Outpost may designate pursuant to this paragraph. Any such delivery or mail service will be deemed to have the same force and effect as personal service within the State of California or the jurisdiction in which such action or proceeding may be commenced.

(b) If a dispute arises out of or relates to the Agreement, or if there is a breach of the Agreement, and the dispute cannot be settled or resolved, then the dispute or breach shall be settled by arbitration. Any and all disputes or controversies arising under this Agreement, or any of its terms, any effort by any party to enforce, interpret, construe, rescind, terminate or annul this Agreement, or any provision thereof (including the determination of the scope or applicability of this Agreement to arbitrate), shall be determined by binding arbitration before a single arbitrator (who shall be a retired judge of a state or federal court with experience in the entertainment industry). The arbitration shall be administered by the Judicial Arbitration and Mediation Services ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures then in effect (or other mutually agreeable alternative dispute resolution service) and shall be conducted in San Francisco, California. The arbitrator shall issue a written decision that includes the essential findings and conclusions upon which the decision is based, which shall be signed and dated. Subject to the foregoing sentence, THE PARTIES HEREBY WAIVE ANY RIGHTS THEY MAY HAVE TO TRIAL BY JURY IN REGARD TO CLAIMS SUBJECT TO ARBITRATION HEREUNDER. The arbitrator's ruling in the arbitration shall be final and binding and not subject to appeal or challenge. Judgment on any award may be entered in any court having jurisdiction. The Parties further agree that the arbitration proceedings, testimony, discovery and documents filed in the course of such proceedings, including the fact that the arbitration is being conducted, will be treated as Confidential Information and will not be disclosed to any third party to such proceedings, except the arbitrator and the arbitrator's staff, the Parties' attorneys and their staff, and any experts retained by the Parties.

(c) Notwithstanding the foregoing, if a third party claim is brought against Outpost for copyright infringement, trademark infringement, violation of rights of publicity, rights of privacy or other unauthorised use of Content which is contrary to the rights granted by Company to Outpost in the Agreement, Outpost shall not be bound by this Arbitration provision and may defend itself and make a claim against Company in the appropriate court of law or equity

8.10 Company recognises that the sale and distribution of Records is speculative and agree that the judgment of Outpost with respect to matters affecting the sale, distribution and exploitation of such Records will be binding upon Company. Nothing contained in this Agreement will obligate Outpost to make, sell, license or distribute Company's Records, except as specified herein.

8.11 Neither party hereto shall be entitled to recover damages or to terminate the term of this Agreement by reason of any breach by the other party of its material obligations hereunder unless the breaching party fails to remedy such breach within thirty (30) days following receipt of the non-breaching party's notice thereof. The foregoing cure period shall not apply to Company's warranties hereunder, where a specific cure period is provided herein, to breaches incapable of being cured, or to an application for injunctive relief.

8.12 This Agreement will not become effective until executed by all parties hereto. Any and all riders, exhibits or schedules annexed hereto together with this basic document will constitute this Agreement.

8.13 When used in this Agreement, (a) all forms of the word "include" shall be deemed to be followed by the words "without limitation"; (b) a reference to any law, rule or regulation includes any amendment or modification thereto or thereof, as well as any replacement therefore; and (c) the term "manufacture" shall be deemed to include all forms of reproduction whatsoever.

8.14 This Agreement may be executed by electronic signature or in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of a signed counterpart of a signature page to this Agreement by facsimile or other electronic means shall be effective as delivery of a manually executed counterpart of this Agreement.

8.15 If any part of the Agreement is deemed invalid or unenforceable, it shall not affect the validity or enforceability of the remainder of the Agreement, which shall remain in full force and effect as if such invalid or unenforceable provision were not a part hereof.

8.16 Company agrees that it enters into the Agreement with all knowledge of its terms, freely and voluntarily and with a complete understanding of all the consequences of entering into the Agreement. Company acknowledges that it has been represented in the negotiation and execution of the Agreement by an independent attorney of Company's choice who is familiar with the practices of the entertainment and new media industry or Company has willingly refrained from so doing.

9. **DEFINITIONS**

9.01 "Advance" means a prepayment of monies otherwise payable to Company. Advances hereunder are chargeable against and recoupable from one hundred percent (100%) of any and all Revenue Share otherwise payable hereunder.

- 9.02 “Ancillary Exploitation” means the sale or exploitation of Company’s Records other than by means of Electronic Transmission or in a physical configuration (e.g., master use or synchronisation licenses, collection of public performance royalties, etc.); “Ancillary Revenue” means the dollar amount actually received from Ancillary Exploitations; “Ancillary Revenue Share” means Company’s percentage of Ancillary Revenue.
- 9.03 “Affiliates” means (i) each principal; and/or (ii) any present or future holders of Company’s capital stock or membership interests or other equity securities; and/or (iii) any corporation or other Person which directly or indirectly owns or controls, is owned or controlled by or is under common ownership or control with Company; and/or (iv) any corporation or other Person directly or indirectly owning or controlling any of the foregoing or having or controlling a financial interest in all or any part of the recording and/or distribution rights of the foregoing.
- 9.04 “Composition” and “Musical Composition” means a single musical composition, irrespective of length, including all spoken words and bridging passages, including a medley.
- 9.05 “Contract Year” means each successive twelve (12) month period beginning on the Effective Date of this Agreement.
- 9.06 “Debt” means any monies owed by Company to Outpost, including without limitation, unrecouped Advances, fees and charges assessed in connection with the Rate Card or in connection with other services provided by Outpost, and monies expended or credited to third parties by Outpost in connection with the marketing, promotion or advertising of Company’s Records, or otherwise.
- 9.07 “Deductions” include the following:
- (a) Any and all unrecouped Advances;
 - (b) Debt;
 - (c) Any and all third party costs incurred by Outpost in connection with the marketing, promotion and advertising of the Records;
 - (d) Any other amounts owed by Company to Outpost in connection with this Agreement or otherwise.
- 9.08 “Delivery” means the receipt by Outpost of all materials reasonably necessary for Outpost to exercise its rights hereunder with respect to the Records, including, without limitation receipt of the Masters concerned in the form that comply with Outpost’s then-current specifications, including all necessary information, consents, licenses and permissions such that Outpost may distribute and release the Records concerned, including, without limitation, all artwork reasonably and customarily required by Outpost to exploit the Records hereunder. All such artwork shall be in the form required by Outpost then-current specifications and shall be free of logos, bar coding or other indicia of any of Company’s prior distributors.
- 9.09 INTENTIONALLY DELETED
- 9.10 INTENTIONALLY DELETED
- 9.11 “Digital Revenue” means the dollar amount actually received by Outpost in connection with the exploitation of Records as Electronic Transmissions, Mobile Products, and Videos; “Digital Revenue Share” means Company’s percentage of Digital Revenue.
- 9.12 “Electronic Transmission” means any transmission of a Record to the consumer, whether sound alone, sound coupled with an image, or sound coupled with data, in any form, analog

or digital, now known or later developed (including, but not limited to, “cybercasts,” “webcasts,” “streaming audio,” “streaming audio/video,” “digital downloads,” direct broadcast satellite, point-to-multipoint satellite, multipoint distribution service, point-to-point distribution service, cable system, telephone system, broadcast station, and any other forms of transmission now known or hereafter devised) whether or not such transmission is made on-demand or near on-demand, whether or not a direct or indirect charge is made to receive the transmission and whether or not such transmission results in a specifically identifiable reproduction by or for any transmission recipient. For the avoidance of doubt, Electronic Transmission includes Mobile Products.

9.13 INTENTIONALLY DELETED

9.14 “Outpost Retailer” means an entity with whom Outpost has or enters into agreements during the Term for the distribution and exploitation of Records to consumers.

9.15 “LP” or “Album” means a sufficient number of Masters embodying a recording artist’s performances to comprise one (1) or more compact discs, or the equivalent, of not less than forty-five (45) minutes of playing time and containing at least ten (10) different Compositions.

9.16 “Master,” “Master Recording” or “Recording” means any recording of sound, whether or not coupled with a visual image, by any method and on any substance or material, whether now or hereafter known, which is intended for use in the recording, production and/or manufacture of Records.

9.17 “Mechanical Royalties” means royalties payable to any Person for the right to reproduce and distribute copyrighted Musical Compositions and other copyrighted materials (if any) on Records.

9.18 “Mobile Products” means Master Recordings distributed to a consumer’s personal portable device other than a personal computer, including, but not limited to master-tones, master ring-back tones, video ring-tones, video ring-back tones and similar products.

9.19 “Net Revenue Share” means the total of Digital Revenue Share and Ancillary Revenue Share less all Deductions, actually paid to Company.

9.20 “Person” means any individual, corporation, partnership, limited liability company, joint venture, firm, entity, association, unincorporated organisation, trust or estate, any legal successor or representative of any of the foregoing, any government or any agency, department or instrumentality thereof.

9.21 INTENTIONALLY DELETED

9.22 INTENTIONALLY DELETED

9.23 INTENTIONALLY DELETED

9.24 INTENTIONALLY DELETED

9.25 “Rate Card” means the list of miscellaneous charges associated with the distribution of Records and related services and products which Outpost charges third parties. The Rate Card is updated annually at the beginning of Outpost’s fiscal year to reflect market conditions and Outpost’s costs.

9.26 “Record” means all forms of reproduction, now or hereafter known, of Master Recordings or Albums owned or controlled by Company or Company Affiliates and Delivered to Outpost, manufactured and/or distributed primarily for personal use, home use, school use, juke box

use or use in means of transportation, including, but not limited to, sound-alone recordings, Videos, interactive media (e.g., CD-ROM), Mobile Products and Electronic Transmission.

9.27 "Revenue" means the dollar amount actually received by Outpost for the exploitation of the Records, including Digital Revenue and Ancillary Revenue.

9.28 INTENTIONALLY DELETED

9.29 INTENTIONALLY DELETED

9.30 "Rights Dispute" means any notice, claim or allegation from a third party claiming ownership of Content (in full or in part) or the right to receive income therefrom.

9.31 INTENTIONALLY DELETED

9.32 "Term," means and refers to the entire period during which Outpost shall have exclusive rights to sell, distribute and otherwise exploit Records derived from the Masters, including (but not limited to) the Initial Term and Renewal Term(s) or extensions thereof.

9.33 "United States" means the United States of America, its territories, possessions (including, for the avoidance of doubt, Puerto Rico) and military exchanges.

9.34 "Videos" means audio-visual recordings including, but not limited to, video, film, footage, clips, television programs, music videos, photographs, art, movies or other visual media owned or controlled by Company.