

Main Points

Physical CDs/ Books/DVDs.

1. Abstract Logix pays artists **seventy-five (75%)** of each sale or keeps \$4.00 of each sale. **You set the selling price of the product.**
2. All agreements are **non exclusive**, ie. You can sell the same items anywhere.
3. All Payments are made end on the **first week** on every month.

Digital Downloads

1. Abstract Logix pays **sixty-five percent (65%)** of the sale price that is set for a album or track. **You set the selling price of the product.**
2. All agreements are **non exclusive**, i.e. You can sell the same items anywhere else.
3. All payments for Digital Download Sales are going to be made every **3 months**.

ARTIST CONSIGNMENT AGREEMENT

Welcome to the Abstract Logix Artist Consignment Agreement ("Agreement"). This Agreement contains the terms and conditions under which Abstract Logix offers the "Consignment Service" (defined below). Use of the Consignment Service constitutes your agreement to and acceptance of this Agreement.

Abstract Logix reserves the right to add, delete and/or modify any of the terms and conditions contained in this Agreement, at any time and in its sole discretion, by posting a change notice or a new agreement on the Site. In the event of substantive changes to the terms of this Agreement, you may be notified by email. If any modification is unacceptable to you, your only recourse is to not use the Consignment Service. Your continued use of the Consignment Service following posting of a change notice or new agreement on the Site will constitute binding acceptance of the changes.

1. Agreement.

1.1 Consignment Service. This Agreement provides the terms and conditions under which Abstract Logix provides its service that will allow you to sell Products on Abstract Logix.com

1.2 Terms of Service. If you become a Abstract Logix Artist, you will continue to be bound by all of the terms and conditions of the Terms of Service which are incorporated into this Agreement by this reference.

2. Becoming a Abstract Logix Supplier.

2.1 Opening an Account. Only Abstract Logix Artists have the right to use the Consignment Service. To become a Abstract Logix Artist, you must open a Abstract Logix Artist account (an "Account") through its online registration process.

2.2 Contact Information. You must provide Abstract Logix with accurate and complete contact, payment and tax identification information when you open an Account. You must immediately notify Abstract Logix if any of this information changes. If you do not provide Abstract Logix with complete, accurate, and updated contact, payment and tax identification information, you may not be eligible to sell Products for a commission and payments may be temporarily withheld.

2.3 Account Security. You will need to select a password if you open an Account. You will be solely and exclusively responsible for keeping your password confidential and all use of your password and Account, including, without limitation, any use by any unauthorized third party. You must notify Abstract Logix immediately if you believe your password has been or may be obtained or used by any unauthorized person or entity. In addition, you must notify Abstract Logix immediately if you become aware of any other breach or attempted breach of the security of your Account or the Abstract Logix.

3. Your Obligations.

3.1 General. You must use the Consignment Service in a manner that demonstrates respect for the rights of Abstract Logix and third parties and in accordance with applicable laws and regulations.

3.2 Artist Content. If you open an Account, you will be solely and exclusively responsible for ensuring that your Account, any content or materials that you submit to Abstract Logix for use with your Products ("Content"), and any websites linked to your Account pages comply with the terms and conditions of this Agreement and all applicable laws, regulations and rules. While Abstract Logix has no obligation to monitor the transactions or communications made through its Website, it reserves the right, in its sole and absolute discretion, to cancel any transaction or remove or limit access to any Content from the Website at any time without notice and without any liability to you or any third party.

3.3 Prohibited Content. You may not design, produce, market or sell a Product that Abstract Logix believes: (i) infringes the rights of a third party, including, without limitation, copyrights, trademarks, patents, trade secrets, and rights of privacy and publicity; (ii) is defamatory; (iii) is obscene or pornographic; or (iv) violates any applicable law, rule, or regulation, including, without limitation, by exploiting images or the likeness of minors.

4. Licensing Your Content to Abstract Logix. By sending us or uploading any of your Content for use on the Website, you grant to Abstract Logix a royalty-free, worldwide, transferable, nonexclusive, right and license in such Content, in all media existing now or created in the future: (i) to permit you to use the Consignment Service to market and sell Products, and (ii) to promote, market and advertise your Products as part of the Abstract Logix, in those places where we advertise our services or Products. Without limitation, this promotion, marketing, or advertising may consist of: (i) display of your Products on the Website, (ii) promotional "streams" of audio Content on the Website, and (iii) Product or Content placement in magazines, web sites, Abstract Logix advertisements, and other media specifically excluding television and movies, solely in connection with our promotion of the Abstract Logix Service. This Section 4 only gives Abstract Logix the right to use your Content for the purposes stated above, and does not give Abstract Logix ownership of any of your Content, or a license to use your Content other than as specifically stated above.

5. Product Creation.

5.1 Delivery of Content. You will upload or ship to Abstract Logix all Content that you want to use with the Consignment Service in accordance with the applicable instructions on the Website. You must also upload or ship all other Content required to package and market any of your Products, such as cover artwork, titles, and complete and accurate credits. Abstract Logix may, in its sole and exclusive discretion, determine whether any Content complies with such instructions and is satisfactory for use with the Consignment Service.

5.2 Approvals and Consents. You must either own all right, title and interest in and to the Content, including all intellectual property rights therein, or you must otherwise have all necessary approvals and consents to use all Content and, if requested by Abstract Logix, you must deliver copies of those approvals and consents to Abstract Logix. Without limiting the above, you are responsible for and must pay any royalties or similar payments that are or may become due to any third party, such as all payments for third-party material in your Content.

5.3 Costs of Creation and Delivery. You will be solely responsible for the creation of the electronic and digital Content that you upload or ship to Abstract Logix and for all physical Products which are held on consignment by Abstract Logix on your behalf, and will pay all costs associated with its creation and copies thereof. Without limitation to the above, you will be responsible for all shipping/handling charges and insurance on the Product during shipment and delivery.

5.4 Maintaining and Returning Stock. Abstract Logix has the right to return Product to you from time to time, as deemed appropriate Abstract Logix in our sole discretion. If you do not respond to any return notice from Abstract Logix within 21 days of the date of the request, or if Abstract Logix's attempt to return Products is unsuccessful because of inaccurate addresses on file, then Abstract Logix shall have the right to recycle or discard the Products without compensation to you for the recycled Product. Abstract Logix will contact you at the current address on file to notify you of the exhaustion of Product stock on hand and request additional shipments.

5.5 Customer Returns. Customer returns sent to Abstract Logix in new condition will be restocked, debited from the Abstract Logix Artist's sales and added back to active inventory. Any returned Product that is defective or damaged will not be restocked, will be debited from the Abstract Logix Artist's sales and will be returned or recycled, at discretion of Abstract Logix.

6. Marketing and Advertising Your Products.

6.1 Marketing of Your Products. Abstract Logix reserves the right, but has no obligation, to promote or advertise your Products, for example, featuring them in Abstract Logix newsletters or on the Website, referring Users to your Products, or describing your Products in communications with third parties

6.2 Customer Information. Abstract Logix may, from time to time, provide you with information relating to Customers that purchase Products via the Consignment Service. You may only use or disclose this information to a third party for your internal record keeping. You may not disclose any of this information to a third party or use it for any other purposes. In all events, you will comply with the terms of Abstract Logix privacy policy <http://www.abstractlogix.com/xcart/help.php?section=business> in connection with the Customer data provided under this Agreement.

7. Compensation and Fees.

7.1 Tax Information. If you choose to sell Products through the Consignment Service, Abstract Logix will use its reasonable efforts to collect sales tax owed on the sales of the Products offered thereby ("Sales Tax"), and to remit such Sales Tax on your behalf to relevant government authorities. Notwithstanding the above, in all events, you acknowledge and agree that you are ultimately responsible for the payment of any Sales Tax owed in connection with this Agreement, and you hereby indemnify Abstract Logix for any Sales Tax that may be owed in addition to those amounts collected and remitted on your behalf by Abstract Logix hereunder.

7.2 Pricing Terms for Products. You will have the discretion to set the pricing for your Products on Abstract Logix, provided that in all events the price must exceed the Abstract Logix Fee (defined below).

7.3 Payment Terms. For each sale of your Products through the Site, Abstract Logix shall collect the aggregate amounts from the customer or distributor, and shall retain its processing fee, and the Sales Tax and shall remit any remaining amounts to you (the "Artist Payment"). Abstract Logix will make a payment to you (by check, Paypal or electronic transfer) for the amount of the Artist Payment no later than 15 days after the first week of the month after. The default payment threshold is \$50 and can be changed at anytime as long as it meets the minimum threshold of \$10. If you have provided an undeliverable mailing address and two or more consecutive payments have been returned to Abstract Logix as undeliverable, we may stop sending future payments to you until you provide a deliverable mailing address.

8. Indemnification. As you are bound by the Terms of Service in using the Consignment Service, you must indemnify, defend and hold Abstract Logix harmless for any Claim

arising out of, relating to, or connected with your alleged breach of the Terms of Service in using the Consignment Service in accordance with Section 7 of the Terms of Service. You must also indemnify, defend, and hold Abstract Logix harmless based on any Claim alleging facts that, if true, would constitute a breach of this Agreement. Abstract Logix may withhold any payments that it owes you if you have to indemnify Abstract Logix.

9. Termination.

9.1 Abstract Logix Termination. In its sole discretion, with or without notice to you, Abstract Logix may: (i) suspend, limit your access to or terminate your use of the Consignment Service, (ii) suspend, limit your access to or terminate your Account, (iii) remove any of your Content from Abstract Logix's servers and directories and (iv) prohibit you from selling any new Products through the Consignment Service.

9.2 Abstract Logix Artist Termination. If you are a Abstract Logix Artist, you may terminate your account for any reason at any time by contacting our customer service department at (919) 342-5700.

9.3 Termination Fees. There are no account termination fees.

9.4 Effect of Termination. If you or Abstract Logix suspend or terminate your Account, you understand that we will cease making the Products available through the Consignment Service. Accordingly, Abstract Logix may, without being liable to you or any third party: (i) delete any Content or other materials relating to your use of the Consignment Service, and (ii) not allow you to create, produce, market, or sell Products through the Consignment Service.

Digital Distribution Agreement

Welcome to the Abstract Logix Artist Digital Distribution Agreement ("Agreement"). This Agreement contains the terms and conditions under which Abstract Logix offers the "Digital Download and Distribution Service". Use of the Digital Download and Distribution Service constitutes your agreement to and acceptance of this Agreement.

Abstract Logix reserves the right to add, delete and/or modify any of the terms and conditions contained in this Agreement, at any time and in its sole discretion, by posting a change notice or a new agreement on the Site. In the event of substantive changes to the terms of this Agreement, you will be notified by email. If any modification is unacceptable to you, your only recourse is to discontinue use of the Digital Download and Distribution Service. Your continued use of the Digital Download and Distribution Service, following posting of a change notice or new agreement on the Site (as more fully described below in Paragraph 8), will constitute your binding acceptance of the changes.

The following, when accepted by you (whether as an individual, or as the authorized representative for an artist, band, group, or corporation) and us shall be a binding contract. Please read this Agreement carefully. By entering your name and clicking on the "I AGREE" button below, you will become a party to, and will be bound by this

Agreement, which may be modified as further described in Section 8 below. The “Effective Date” of this Agreement is the date on which you click the “I AGREE” button below.

1. Abstract Logix Authorize: You hereby appoint us as your authorized representative for the sale and other distribution of Your Authorized Content as described below. While selling your music and/or videos on abstractlogix.com is non-exclusive, the rights granted by you to us under this Artist Digital Distribution Agreement are exclusive, because online retailers do not want to receive the same content delivered by multiple companies. Accordingly, you hereby grant to us the exclusive right, and to our licensees (herein each a “Licensee”) the non-exclusive right, during the Term and throughout the Territory, to:

- (a) Reproduce and convert Your Authorized Content into Digital Masters;
- (b) Perform and make available, for promotional purposes and without remuneration to the artist, portions of Your Authorized Content (“Clips”) by “streaming” to promote the license, sale and distribution of Digital Masters;
- (c) Promote, sell, distribute, and deliver Digital Masters (as individual tracks, videos, or entire albums) and associated metadata to purchasers and resellers who may use such Digital Masters in accordance with usage rules approved by us;
- (d) Use and distribute Copyright Management Information as embodied in a Digital Master;
- (e) Display and electronically fulfill and deliver Authorized Artwork used in connection with Your Authorized Content for personal use, solely in conjunction with the applicable Digital Master;
- (j) Use Your Authorized Content, Authorized Artwork, and metadata as may be reasonably necessary or desirable for us to exercise our rights under this Agreement; and
- (k) Authorize our Licensees to perform any one or more of the activities specified above.

2. Term: The Term of this Agreement will commence on the Effective Date and will continue, unless and until terminated by either you or us, upon thirty (30) days written notice.

3. How and What do We Pay you:

- (a) **Digital rates:** We will pay you an amount equal to **sixty-five percent (65%)** of the sale price that we receive from Licensees for the sale or other licensed uses of your Digital Masters (“License Fee”).
- (b) **Retail sales rates:** For content sold at retail prices directly through our retail store <http://www.abstractlogix.com/> will pay you an amount equal to **seventy-five percent (75%) or Abstract Logix keeps \$4.00 per** of the retail price (whichever is larger) that we receive from the customer for the sale or other licensed uses of Your Authorized Content.

(c) All accounting details will be available and updated weekly in the secure members' login area at <http://www.abstractlogix.com/xcart/mysupplier/login.php>. Payments will occur on the by the 1st week of every month Such payment will constitute full and adequate consideration for all rights granted, and all obligations undertaken, by you in this Agreement. For the avoidance of doubt, you have the right to affiliate with a performance rights society and Sound Exchange or other entity to collect monies that may be payable to you for the public performance of Your Authorized Content.

(e) If you have any objections to a statement, you will give us specific notice of that objection and your reasons for it within one (1) year after the date when we are required to send you that statement. Each statement will become conclusively binding on you at the end of that one (1) year period, and you will no longer have any right to make any other objections to it. You will not have the right to sue us in connection with any statement, or to sue us for License Fees on sales and licenses during the period a statement covers, unless you commence the suit within that one (1) year period. If you commence suit on any controversy or claim concerning statements rendered to you under this Agreement in a court of competent jurisdiction, the scope of the proceeding will be limited to determination of the amount of the License Fees due for the accounting periods concerned, and the court will have no authority to consider any other issues or award any relief except recovery of any License Fees found owing. Your recovery of any such royalties will be the sole remedy available to you by reason of any claim related to our statements.

4. Your Obligations: You or a licensee, on your behalf will obtain and pay for any and all clearances or licenses required in the Territory (or any portion thereof) for the use of Your Authorized Content, and Authorized Artwork and metadata as intended by this Agreement. By way of example, you will be responsible for the payment of mechanical royalties in territories where such royalties are not collected by a rights society. Specifically, and without limiting the generality of the foregoing, you or a licensee on your behalf will be responsible for and shall pay (i) any royalties and other sums due to artists, authors, co-authors, copyright owners and co-owners, producers and any other record royalty participants from sales or other uses of Digital Masters, (ii) all mechanical royalties or other sums payable to publishers and/or authors or co-authors of musical compositions embodied in Digital Masters from sales or other uses of Digital Masters (iii) all payments that may be required under any collective bargaining agreements applicable to you or any third party, and (iv) any other royalties, fees and/or sums payable with respect to Your Authorized Content, and Authorized Artwork, metadata 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.

5. Right to Withdraw Material: You have the right, at any time during the Term, to withdraw your permission for the sale or other uses of Your Authorized Content and Authorized Artwork, upon written notice to us (“Withdrawal”). Within 5 business days following our receipt of your notice of Withdrawal, we will remove the sale or other use of Your Authorized Content or Authorized Artwork. Sending of your notice of Withdrawal will not limit your responsibility for sales and other uses of Your Authorized

Content and/or Authorized Artwork that occurred prior to the implementation of such Withdrawal and will not limit in any way the rights of end users who have acquired Your Authorized Content or Authorized Artwork.

6. Names and Likenesses; Promotional Use and Opportunities:

(a) You hereby grant to us, during the Term, the right to use and to authorize our Licensees to 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 Authorized Artwork, in any marketing materials for the sale, promotion and advertising of the applicable Digital Master, which is offered for sale or other use under the terms of this Agreement (e.g., an artist or band name and likeness may be used in an informational fashion, such as by textual displays or other informational passages, to identify and represent authorship, production credits, and performances of the applicable artist or band in connection with the exploitation of applicable Digital Masters).

(b) You hereby grant to us and our Licensees the right to market, promote and advertise the Digital Masters as available for purchase or license, as we and they determine in our and their discretion.

7. Ownership: Subject to our rights hereunder or under any prior agreement between you and us, as between you and us, all right, title and interest in and to (i) Your Authorized Content and Authorized Artwork, (ii) the Digital Masters, (iii) the Clips, (iv) all copyrights and equivalent rights embodied therein, and (v) all materials furnished by you, will be yours.

8. Modification, Termination and Effect of Termination:

(a) We reserve the right to change, modify, add to, or remove all or part of this Agreement, in our sole discretion. Notice of any such change will be sent to you by email at least seven (7) days prior to its effective date. In the event that you do not consent to any such proposed changes, your sole recourse shall be to terminate the Term of this Agreement, by notice to us as provided above, and your failure to do so within ten (10) days of the date of any such email from us to you shall constitute your acceptance of such changes.

(b) The expiration or termination of the Term will not relieve either you or us from our respective obligations incurred prior to or during the Term. Accordingly, applicable provisions of this Agreement will continue to apply even after the expiration of the Term.

9. Indemnification: You hereby indemnify, save, and hold us harmless from any and all damages, liabilities, costs, losses and expenses (including, but not limited to, legal costs and attorneys' fees) arising out of or connected with any claim, demand, or action which is inconsistent with any of the warranties, representations, covenants or agreements made by you in this Agreement, including, but not limited to, your representations and warranties regarding copyrights or any other rights in and to any other forms of intellectual property. You will reimburse us, on demand, for any payment made by us at any time with respect to any damage, liability, cost, loss or expense to which the foregoing indemnity applies. Pending the determination of any claim, demand, or action,

we may, at our election, withhold payment of any monies otherwise payable to you hereunder in an amount which does not exceed your potential liability to us pursuant to this paragraph.

10. Additional Representations and Warranties of the Parties:

(a) You represent and warrant that you have the full authority to act on behalf of any and all owners of any right, title or interest in and to Your Authorized Content or Authorized Artwork, or metadata.

(b) You represent and warrant that you own or control the necessary rights in order to make the grant of rights, licenses and permissions herein, and that the exercise of such rights, licenses and permissions by us and our Licensees shall not violate or infringe the rights of any third party.

(c) You and we represent and warrant that we will not act in any manner which conflicts or interferes with any existing commitment or obligation of the other party, and that no agreement previously entered into by you or us will interfere with our performance of our obligations under this Agreement.

(d) Each party represents and warrants that it shall perform its obligations hereunder in full compliance with any applicable laws, rules and regulations of any governmental authority having jurisdiction over such performance.

(e) We make no guarantees whatsoever about there being any minimum sales or uses of any Digital Master.

11. General Provisions:

(a) The parties hereto agree and acknowledge that the relationship between them is that of independent contractors. This Agreement shall not be deemed to create a partnership or joint venture, and neither party is the other's agent, partner, or employee.

(b) This Agreement contains the entire understanding of the parties relating to the subject matter hereof. This Agreement supersedes all previous agreements or arrangements between us pertaining to the digital distribution of content, provided that if you previously entered into a digital distribution agreement with us in the past, and elected any options, those options will remain in place under this Agreement. This Agreement cannot be changed or modified except as provided herein. A waiver by either party of any term or condition of this Agreement will not be deemed or construed as a waiver of such term or condition, or of any subsequent breach thereof. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, such determination shall not affect any other provision hereof, and the unenforceable provision shall be replaced by an enforceable provision that most closely meets the commercial intent of the parties.

(c) This Agreement will be binding on the assigns, heirs, executors, affiliates, agents, personal representatives, administrators, and successors (whether through merger, operation of law, or otherwise) of each of the parties.

(d) Any notice, approval, request, authorization, direction or other communication under this Agreement shall be given in writing and shall be deemed to have been delivered and given for all purposes on the delivery date if sent by electronic mail to the addresses provided to and by you upon registration with the Abstract Logix Site, or as properly updated.

(e) This Agreement will be governed and interpreted in accordance with the laws of the State of North Carolina applicable to agreements entered into and to be wholly performed in North Carolina, without regard to conflict of laws principles.

(f) To the extent permitted by applicable law, the rights and remedies of the parties provided under this Agreement are cumulative and are in addition to any other rights and remedies of the parties at law or equity.

(g) The titles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

(h) This Agreement is for the sole benefit of the parties hereto and their authorized successors and permitted assigns. Nothing herein, express or implied, is intended to or shall confer upon any person or entity, other than the parties hereto and their authorized successors and permitted assigns, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

12. Certain Definitions: The following capitalized terms shall have the following meanings for purposes of this Agreement:

(a) “Authorized Artwork” means album cover artwork and any other artwork relating to Your Authorized Content that you provide to us. All such artwork will be deemed to have been properly cleared and/or licensed by you for all purposes, unless you provide us with written notice to the contrary.

(b) “Authorized Territory” means the Universe, or more limited territories, if you so choose, in the registration process.

(c) “Copyright Management Information” means the digital information conveying information regarding a Digital Master, such as your name, the title of the applicable album, the name of the song and the record company name, and same shall be subject to the protection of Title 17, Section 1202 of the United States Copyright Law.

(d) “Digital Master” or “Digital Masters” means a copy or copies of Your Authorized Content in digital form.

(e) “Your Authorized Content” means sound recordings, video content, and underlying musical compositions that you have designated for digital distribution by us. Any such sound recordings, video content, and the underlying musical compositions must be owned or controlled by you and/or have been cleared by you for all purposes and rights granted and authorized hereunder by you.