

DIGITAL MUSIC DISTRIBUTION AGREEMENT

This AGREEMENT (hereinafter referred to as the "Agreement") is made effective this ____ day of _____, 200__ by and between _____, located at _____ (hereinafter referred to as the "ARTIST") and Ampersand Records USA, located at 726 Route 202 South, Suite 320-111, Bridgewater, NJ 08807 (hereinafter referred to as the "Distributor"). Distributor is an Internet record company, which offers sound recordings for download by consumers over the Internet. ARTIST owns or has the rights to distribute over the Internet the master sound recordings referred to in the Addendum attached and any additional Addenda added by agreement of the parties from time to time (hereinafter referred to as "Licensed Recordings").

WITNESSETH:

In consideration of the respective covenants contained herein, the parties hereto, intending to legally bound hereby, agree as follows:

1. Grant of License.

1.1. Licensed Recordings. ARTIST hereby grants to Distributor an exclusive right and license during the Term of Grant throughout the Territory to make, cause or otherwise effect Digital Audio Transmissions and Digital Phonorecord Deliveries of the Licensed Recordings. The term "Digital Audio Transmission" shall mean a transmission that embodies a sound recording. The term "Digital Phonorecord Delivery" shall mean each individual delivery of a phonorecord by digital transmission of a sound recording which results in a specifically identifiable reproduction by or for any transmission recipient of a phonorecord of that sound recording.

1.2. Reserved Rights. All rights and license not expressly granted to Distributor hereunder are reserved by ARTIST. Ownership of the Licensed Recordings and Licensed Artwork shall remain with ARTIST or its licensors.

2. Delivery.

ARTIST shall deliver to Distributor 3 CDs of the master versions of Licensed Recording hereunder which contain related artwork for use by Distributor in connection with the marketing and promotion of the Licensed Recordings; and, a written schedule of the names and contact information of the author(s), composer(s), and music publisher(s) of the songs embodied in the Licensed Recordings, together with any additional copyright information known to ARTIST relating to such songs and the Licensed Recordings, and a list of credits that ARTIST is contractually required or otherwise reasonably desires to provide in connection with the distribution, exploitation of the Licensed Recordings hereunder. Distributor shall have no right to modify the Licensed Recordings, except; to modify the length of a song or songs for demo purposes and; that it may encode the Licensed Recordings in any format now known or hereafter devised for purposed of facilitating the exercise of the rights and licenses granted hereunder.

3. Territory. The Territory shall be the world.

4. Term of Grant.

The Term of Grand shall commence upon the date hereof and shall expire upon termination by ARTIST.

5. Consideration.

5.1. Distributor shall pay to ARTIST one hundred percent (100%) of any and all Net Revenues derived from Digital Phonorecord Deliveries embodying the Licensed Recordings. Payments to be received by ARTIST from distributor no later than one (1) week after sale.

This agreement included all of the terms and conditions set forth in the addendum(s) and the Standard Terms and Conditions attached hereto, which are incorporated herein by this reference.

6. Use of non original material

ARTIST is responsible for obtaining permission from copyright owners of non-original music contained on ARTIST CD for use as download. If ARTIST is unable to obtain permission(s) for use, Distributor will only make available ARTIST originals and Public Domain material for downloads on site.

7. Free Song Download

ARTIST agrees to provide one original song off of each ARTIST CD as a free download to the public. It is understood that a free download greatly increases ARTIST chances of selling larger amounts of CD's. The title(s) of the song(s) ARTIST wishes to offer per CD as free download is:

_____	(title of song) from the	_____	(name of CD)
_____	(title of song) from the	_____	(name of CD)
_____	(title of song) from the	_____	(name of CD)
_____	(title of song) from the	_____	(name of CD)
_____	(title of song) from the	_____	(name of CD)
_____	(title of song) from the	_____	(name of CD)
_____	(title of song) from the	_____	(name of CD)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

AGREED TO AND ACCEPTED:

BY:
"DISTRIBUTOR"
Ampersand Records USA

(an authorized signatory)

BY:
"ARTIST"

(an authorized signatory)

ADDENDUM 1

This Addendum to the Internet Music Distribution Agreement is made effective this ____ day of _____, 200__ by and between _____ (hereinafter referred to as the "ARTIST") and Ampersand Records USA (hereinafter referred to as the "Distributor").

The Licensed Recordings hereunder shall include the sound recordings (identified by title, playing time, master number, songwriter(s), and/or music publisher) listed below or in an attachment hereto:

Artists
Title
Artist
Playing Time:
Master #
Songwriter(s)
Publisher(s)

Various other Artists to be attached as Exhibit A.

This addendum includes all of the Terms and Conditions set forth in the Agreement referenced above, all of which are incorporated herein by this reference.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

AGREED TO AND ACCEPTED:

BY:
"DISTRIBUTOR"
Ampersand Records USA

(an authorized signatory)

BY:
"ARTIST"

(an authorized signatory)

TERMS AND CONDITIONS FOR DIGITAL MUSIC DELIVERY AGREEMENT

This sets forth the terms and conditions under which ARTIST grants to Distributor certain rights and licenses in and to the Licensed Recordings identified in an Addendum hereto.

1. Additional Definitions. For purposes hereof, the following terms shall have the respective meanings provided below:

1.1. The term "ARTIST" shall mean any recording artist whose performances are embodied in the Licensed Recordings.

1.2. The term "Licensed Artwork" shall mean any artwork, drawings, photographs, liner notes, or other graphical, textual or other graphical works relating to ARTIST or Label, developed or created by or for Label for use in connection with the distribution or promotion of the Licensed Recordings, and delivered to Distributor hereunder.

1.3. The term "Name and/or Likeness" shall mean the name, voice, photograph, drawing, likeness, biographical material, any and all words, symbols, and logos which identify a person or group, and any and all trademarks, service marks, trade names, or similar properties, of, relating to or associated with a person or group, and any other exercise of the "right of publicity" of, relating to, or associated with a person or group.

1.4. The term "Controlled Compositions" shall mean any and all musical works embodied in the Licensed Recordings which are written or composed, in whole or in part, or owned or controlled, directly or indirectly, by ARTIST or Label, collectively or individually.

1.5. The term "Licensed Works" shall mean the Licensed Recordings, Licensed Artwork, Controlled Compositions, the Name and/or Likeness of Label or any Artists performing in the Licensed Recordings, Music Videos, and any other materials licensed to Distributor hereunder.

1.6. The term "Net Revenues" shall mean gross revenues less only the following costs and fees incurred in connection with such deliveries, and only to the extent incurred:

(a) transaction processing fees, such as credit card transaction fees and other electronic commerce processing, patent royalties or other fees, payable to or retained by unaffiliated third parties in connection with effecting a transaction or transmission, if any;

(b) sales tax, if any;

(c) returns and credits, including, but not limited to, those on account of defective merchandise, errors in billing, and errors in transmission, if any;

(d) mechanical royalties, if any;

(e) public performance fees, if any;

(f) shipping, if any;

(g) union, guild or other third party fees that may be required by contract or the Copyright Act, if any;

(h) Internet referral fees, such as fees payable to any third party who, through their web site, email or other means, refers to us a purchaser of copy or phonorecord of a Recording, if any, provided that such costs shall not exceed 15% of gross revenues.

Net Revenues shall not include, and no royalties shall be payable to Artist on any Licensed Works reproduced, distributed, performed, displayed, broadcast, delivered or transmitted on a "free" or "no charge" basis.

2. Record Keeping and Report.

2.1. Distributor agrees to maintain and preserve accurate books and records concerning all transactions relating to the reproduction and distribution of the Licensed Recordings for a period of two (2) years following the termination of this Agreement.

2.2. Distributor will compute the royalties to Artist pursuant to this Agreement within forty-five (45) days after the end of each calendar quarter (i.e., ending March 31, June 30, September 30, and December 31), and will deliver to Artist a quarterly royalty statement for each such period together with the net amount of royalties, if any, computed in accordance with this Agreement, which shall be payable after deducting any and all unrecouped advances or other charges hereunder.