

Evolution Beats Records & Evbere Label Distribution Agreement

EXCLUSIVE DIGITAL DISTRIBUTION AGREEMENT

DIGITAL DISTRIBUTION AGREEMENT between EVOLUTION BEATS RECORDS & EVBERE (hereinafter referred to as "EBR Label") and label/artist filling out details via our online registration tool (hereinafter referred to as "Label")

EBR Label, is a digital Aggregator destined to the delivery of content from hundreds of Labels from around the world. This is an agreement between EBR Label and a prospective Record Label interested in EBR Label services. Pursuant to the terms of this agreement, Label has selected EBR Label to distribute content to EBR Label list of retailers and related services.

A. Background.

1. Exclusivity:

Label agrees that this agreement is exclusive worldwide during the Term for the distribution of Label Content by EBR Label. Client shall not, for the Term hereof, license or attempt to license any Label Content without proper written approval from EBR Label. Label may not directly contact, solicit and/or engage in business directly with Partners during the Term of this Agreement. The Label may not distribute their content or sign any contract with another distribution company throughout the duration of this agreement.

2. Intellectual Property Ownership:

The Label warrants and represents that it has all rights in the Client Content provided to EBR Label (including but not limited to masters, videos, sound recordings, artist names, song names, artwork and images) and/or has all rights necessary to grant the licenses granted herein. Label also guarantees that it has secured written permission or waivers of rights with any necessary persons or third parties that have granted Label permission to distribute the content through EBR Label. Label hereby agrees to not deliver any Client Content to EBR Label that is not legally owned or secured via permission. If any material contains Content of any kind that is not cleared, licensed, and/or owned by the Label, EBR Label is exempt from all legal issues and/or wrongdoing and Label agrees to indemnify to EBR Label.

3. Partners:

EBR Label agrees to distribute and license Label's recordings to Partners that sell, distribute, transmit, stream, perform or otherwise exploit sound and/or audiovisual recordings by all means and media available, and to collect all income deriving there from. EBR Label shall (Through our technology partner) solicit and service the Partners secure the encoding of each Recording in format(s) required by the Partners, process the delivery of the recordings to the Partners, and collect amounts due from the Partners for repayment to Label, subject to the client account revenue threshold requirements outlined in this Agreement.

4. Territory: Worldwide.

5. Physical Distribution not included:

Label understands that physical distribution, including premanufactured audio products such as CD's and vinyl records, is not included in this Agreement.

6. Inappropriate Content:

EBR Label will not distribute scandalous, illegal, hateful, highly objectionable or offensive material. EBR Label and Partners reserve the right to reject distribution of any Label Content at its discretion.

B. Association.

Is stipulated in the agreement that EBR Label be associated with Yumu, Label Worxs, Believe Digital (hereinafter "Technology Partners"), this companies will provide the technology required for the safe delivery of the contents of the record label to our network of stores, is stipulated in this agreement that safety and service optimization all content will be delivered to the stores under the technology and associated accounts by Technology Partners Company without prejudice to the Record Label.

C. Content Delivery.

Is stipulated in this agreement for security and optimization of the distribution service the content will be delivered under the technology, support and accounts of Technology Partners throughout the store networks without additional cost to the Label.

D. No Entailment.

Is stipulated in the agreement the working relationship will be between the Label and EBR Label and that this agreement is not entailment between the Record Label and Technology Partners.

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E. EBR Label Obligations and Others Services.

Distribution.

During the Term, EBR Label agrees to distribute and license Label's recordings to retailers, service providers and other users of any description that sell, distribute, transmit, perform or otherwise exploit sound and/or audiovisual recordings by any and all means and media (whether now known or existing in the future) and to collect all income deriving there from. EBR Label does not guarantee placement of the recordings with any licensee and EBR Label reserves the right to reject distribution of any recording at its discretion.

1. **Grant of Rights.** Label hereby grants to EBR Label the following rights throughout the world (the "Territory") and during the Term (as such term is defined below):

EBR Label shall have the exclusive right to sell, copy, distribute, perform, sublicense and otherwise exploit the Recordings in whole or in part direct to consumers or to retailers, digital service providers and other users of any description (the "DSPs") that sell, copy, distribute, transmit, perform or otherwise exploit sound and/or audiovisual recordings by any and all means and media (whether now known or existing in the future).

2. **Term.** The Agreement between the Label and EBR Label has an initial duration undefined from the date of signature. It is automatically renewed, if not terminated 3 (three) months before any consecutive year by either Party. EBR Label is free to terminate this agreement at any time under any reason or circumstance.

Upon expiration, EBR Label shall make inaccessible all digital files and according metadata from its servers and destroy all Master copies provided by Label.

If for any reason either Party materially breaches this Agreement, the aggrieved Party shall notify the defaulting Party in written form. The defaulting Party is given 30 days from receipt of notice to cure the material breach. If the defaulting Party fails to cure the breach within 30 days from receipt of notice, then the aggrieved Party has the right to terminate this Agreement immediately and in its sole option.

It stipulated that this contract is exclusive agreement between the record Label with EBR Label and the label could not work simultaneously with another distribution company using the same record label name stipulated in this agreement. The record label it can not do change or migrate to another distribution company and shall remain with EBR Label for a minimum period of 1 year from the date of signing and acceptance of this agreement, after this period the record label could request to change to another distribution company provided that EBR Label this agreement.

The breach of this contract, intention to emigrate or any reason or intention to terminate this contract before the date specified in this contract, the label shall indemnify to EBR Label distribution with \$ 200.00. - Dollars (Two Hundred Dollars), after receiving this compensation, EBR Label shall terminate the contract applying article 2.2.

3. **Label Obligations.** The Label accepts the technological association and support between EBR Label and Technology Partners to distribute the content to the network of stores and recognizes that this association is not harmful for the normal functioning of the label, the label further agree that for safety and optimize the content distribution service is delivered under the technology, support and accounts of Technology Partners throughout the network of stores and that this action is not entailment between the Label and the Technology Partners.

Under this Agreement, Label commits to EBR Label the delivery of digital copies of Master Files and Metadata. Label grants to EBR Label to provide all such initial information and files within four weeks after signature of this Agreement.

Label hereby acknowledges that all information contained in the "Metadata" will be used by EBR Label for the purpose of sales to End Users via 3rd party platforms in accordance with this Agreement and the rights that Label owns (e.g. territories in which EBR Label is permitted to sell Download Files to). Therefore, Label commits to EBR Label to complete all metadata information using EBR Label Content Platform system with reasonable diligence.

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4. **EBR Label Obligations.** EBR Label is an aggregator of music content that supports music companies in selling their music in digital formats over 3rd Party Internet Websites. The EBR Label platform which is provided by mutual agreement with the Technology Partners, is solely developed, managed and improved by EBR Label under the supervision of the Technology Partners technical staff and exclusive partners.

Label hereby acknowledges and EBR Label accepts Label's intention to sell Label's music catalogue through the EBR Label via Sales Partners worldwide. Therefore, Label licenses its music catalogue to EBR Label.

Label wishes to use EBR Label as a aggregator for its music catalogue via 3rd party Internet Portals that are not controlled by EBR Label. All such 3rd party platforms and according business parameters will be selected, held and negotiated by EBR Label.

EBR Label grants to Label that all Label royalty payments, as set forth in Item 14, are net payments to Label. EBR Label can deduct some fees for technology, transactions, mechanical payments or any other processes involved that partner stores may charge for storage and mechanical processes of its operations under the concept of "Technical fee".

EBR Label grants to Label that it will perform its best efforts, as long as commercially reasonable, in order to keep the distribution services available to 3rd party platforms. In any case, EBR Label gives no guarantee to Label for technology or sales and marketing activities to run 100% error-free, neither for EBR Label itself nor for any 3rd party platform.

5. **Third Party Obligations.** In connection with exploitations contemplated hereunder, Label shall be solely responsible for all royalties or fees due to the Distributed Labels, artists, producers, performers, Talent, and/or other persons who performed in the making of the Recordings, Content, and/or Channels, and any other royalty participants in the Recordings, Content, and/or Channels, all royalties or fees due to any party as a result of samples and/or footage included in the Recordings.

6. **Royalties, Fees, Label Share.** The parties agree to the payment of the quarterly gross income:

- **80% Plan**

- **Fees** EBR Label shall pay to Label all gross receipts received by EBR Label from its licensees deriving from the sales of all retailers in our network.

- **Payout** Payout EBR Label must pay when the royalties owed to the label is not less than €50 (fifty Euros), If payment lower will be retained until the next quarterly payment period.

7. **Accountings.** EBR Label pays royalties to the Client in a lump sum payable quarterly. Reports are available. Payments will be via Paypal and by Bank Account Number.

The payment will be made with a quarter lag, Example: Royalties of Q-1 are paid in Q-2 and so hereinafter

DRM / Mechanical. The stores will retain a percentage of each download or streaming for DRM (digital rights management) or Mechanical Transaction. These deductions are not paid to you or us but instead paid out to a Performing Rights Organization (PRO). If you are not registered with a specific PRO, money will be held by a PRO until claimed by the original songwriter/artist.

The download and streaming companies / stores in particular will withhold a piece of any transaction made (15% - 25% depending on the type of download, Wav, Mp3, Flac, the type of streaming services membership or territory) and will report directly to the Performing Rights Organization within the country.

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8. **Warranties and Indemnities.** Both Parties herewith warrant and represent that they possess the full right and authority to enter into and perform this Agreement.

EBR Label warrants and represents for the duration of this Agreement to operate or control all technical infrastructure, including file servers, technology (software code) and databases for the purpose of selling Master Files as digital Downloads to 3rd party platforms. EBR Label furthermore warrants to Label that it will only be using such Masters as supplied by Label.

Label warrants and represents that it owns or controls the rights to transmit, sell and broadcast Master Files as digital Downloads over the Internet in the territory and therefore has the right to grant these rights to EBR Label.

9. **Confidentiality.** Label agrees that it shall, and it shall instruct in writing its attorneys, accountants, other professional advisors, and the Distributed Labels to, hold in confidence and not communicate, transmit, publish, disseminate or otherwise disclose any of the terms and conditions of this agreement or any information regarding EBR Label business learned in the course of dealing or performance hereunder (collectively, "Confidential Information"). The fulfillment of Label's obligations under this paragraph is integral to the success of EBR Label business dealings and EBR Label shall be entitled to injunctive relief to enforce the provisions hereof without limitation of its other rights.

10. **Governing Law; Exclusive Venue.** This Agreement has been entered into in México Law and its validity and legal effect shall be governed by the laws of México. Any legal action between the Parties arising out of this Agreement shall be subject to the Mexican jurisdiction of the courts located in Mexico.

11. **Warranties and Representations.** Both Parties herewith warrant and represent that they possess the full right and authority to enter into and perform this Agreement.

12. **Indemnification.** Both Parties agree to hold each other harmless from any loss and damage arising from any claim brought by any third party against the Parties with respect to EBR Label business of selling digital music as Download Files to 3rd party platforms. Label expressly indemnifies EBR Label from any claims or liabilities, should any inconsistency be claimed by third parties regarding the Rights that Label passed to EBR Label in accordance with grant of rights.

13. **Waiver.** Besides this Agreement, no other issues are agreed upon between the Parties. Any modification or amendment of this Agreement needs to be agreed upon in written form to become binding to the Parties.

14. **Severability Clause.** Should any clause or part of this Agreement become unenforceable by court, the remainder of this Agreement shall remain in full force and effect. The Parties herewith agree that a termination of this Agreement shall solely be possible if an integral part of this Agreement is or becomes unenforceable. In such case, both Parties may terminate this Agreement upon 60 days written notice.

15. **No Agency or Joint Venture.** The parties agree and acknowledge that the relationship of the parties is in the nature of independent contractors. This Agreement will not be deemed to create a partnership or joint venture, and neither party is the other's agent, partner, employee, or representative.

16. **Intellectual Property.** The parties agree that the rights of intellectual property does not at any time rights vest with the Label. EBR Label shall have a license to use Labels intellectual property for the purpose of carrying out this Agreement only. Label and their users who access EBR Label Content Platform are granted a license to access only and agree that such access can not be used to copy, recreate or in any way build a similar system. The usages of the system tools are only granted to the Label and their users for use only under this Agreement and not for any other purpose.

17. **Copyright.** It is stipulated in this agreement Evolution Beats Records & Evbere (EBR Label) is a distribution company only and that the record label signing this agreement is solely responsible for copyright violations that may occur by its catalog, artists, remixers, cover arts.

Evolution Beats Records & Evbere (EBR Label) has the authority to withhold royalty payments to the Label responsible for copyright infringement if any lawsuits or claims of third parties by copyright and they will be entitled to payment until the copyright lawsuit is fully solved.

If any payments for costs of lawsuits, lawyers or rewards, money for these purposes, shall be used directly from the record label royalties involved in this legal dispute.

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18. Licensing Music for the inclusion in EBR Label compilations / various artists via EBR Label, Aztec Music Records, Tribaleke Records, Lounge Magic Records, Liquid Beat Records, Trendy Recordings.

This Item defines the terms and conditions for licensing Labels entire catalogue for use in EBR Label digital download bundles. The parties agree to accept this optional Item Licensor grants Licensee the entire use of their back catalogue for use in download bundles compiled and distributed Evolution Beats Records & Evbere (EBR Label) under EBR Label and Sub Labels.

- Licensee : The Record Label that signs this agreement.
- Licensor : Evolution Beats Records & Evbere (EBR Label), representative and owner of Evolution Beats Records & Evbere (EBR Label).
- Catalogue: Entire catalogue, except those releases specified as Not Available via E-mail to EBR Label.
- Rights Granted: Licensor grants Licensee the entire use of their back catalogue for use in releases compiled and distributed by EBR Label on behalf of Evolution Beats Records & Evbere (EBR Label).
- Term: Indefined.
- Territories : World Wide.
- Royalty: 50% for Label Licensee 50% for EBR Label on behalf of Evolution Beats Records & Evbere (EBR Label).
- Accounting: Accounting and payment of royalties will be have as February of each year.
- Threshold: When Track royalties totals €50.00 or higher then Label receive royalty payments. Royalties under €50.00 will be rolled over until the next period.

19. Acceptance of the agreement.

Acceptance of the agreement. The Parties execute this agreement as per in this day, is entered and agreed upon on the calendar date to be added after registration is complete.

On behalf of Label, you sign and accept the contract according to the registration form, the label and its representative agreed to send the registration form.

On behalf of **EBR Label**.



Irving Bribiesca L.
Founder, Label Manager
Evolution Beats Records & Evbere