



Hello and thanx for your interest in joining theconneXtion's Family of Artists!

theconneXtion has a lot of services to make your life easier and this packet provides an overview of many of them. We are adding new services all the time so your Account Manager and your Artist Administrative area will also be a great resource for keeping current - more on that later! However this packet will make getting setup very quick and easy. Please look it over and follow the instructions to sign up for the services you are interested in, and feel free to skip over the others....you can always signup for those at a later date.

If at any time you have questions please feel free to contact me to discuss,

Todd Young, Founder and President
512.630.2310
todd@theconneXtion.com

STEP BY STEP PAPERWORK PROGRESS – we suggest you check off each section to be sure you have looked it over before sending setup paperwork to us.

- ☐ step1 – Basic Setup Info
- ☐ step2 – Store Management Agreement
- ☐ step3 – Digital Download Direct to Consumer via Store Authorization
- ☐ step4 – Licensing for Audio Sales (i.e. Cover Songs)
- ☐ step5 – Opening Inventory/Price List
- ☐ step6 – Credit Cards on Tour Agreement
- ☐ step7 – Comprehensive Digital Distribution to Digital Retailers Agreement
- ☐ step8 – Determine the New Store setup fee in the amount of (circle appropriate options):
 - \$200 NEW STORE ONLY
 - FOR DIGITIZING OF CDS FOR DOWNLOAD VIA STORE add \$10/cd
 - FOR CREDIT CARDS ON TOUR PAPER IMPRINTER MACHINE add \$80
 - FOR RUSH SERVICE (1 WEEK) add \$100
 - FOR SUPER RUSH SERVICE (72 HOURS) add \$200
 - FOR PAPER CHECK SETUP FEE add \$10
 - FOR REGISTERING OF TITLES WITH SOUNDSCAN add \$10 per title

PLEASE CHECK THE PAYMENT OPTION YOU SELECT:

- ☐ PAYPAL –pay to accounting@theconneXtion.com; from email: _____
- ☐ CHECK OR MONEY ORDER enclosed to: theconneXtion
- ☐ CHARGE A CREDIT CARD (VISA, MASTERCARD, AMEX)
Number: _____
Expiration Date: _____
CCV (security code on back of card): _____
Signature: _____

☐ step8 – After all steps are completed, please ship everything, including this sheet to:
theconneXtion/NEW STORE/Artist Name
4211 Todd Ln, ste. J
Austin, TX 78744

PLEASE NOTE: theconneXtion is unable to begin construction on your store until all items listed above are received.



BASIC NEW CLIENT SETUP INFO

Artist:

Official Website:

Name of Primary Contact (if different from artist):

Contact email address:

Contact phone number:

MONEY- theconneXtion will pay you via the checked item below:

_____ PAYPAL (our preference, no fees removed); please provide your paypal payto email address:

_____ PAPER CHECK: (onetime setup charge of \$10)

Check payable to:

Check mail to address:

THE CONNEXTION

STORE MANAGEMENT AGREEMENT

This agreement is made by and between The Connexion and _____ (Client) to clarify the responsibilities and representations and to memorialize the terms and conditions of each.

The Connexion agrees to:

1. Build, Manage, and Maintain the Client's store
2. Report applicable sales to Soundscan
3. Handle all Customer Service, Collection of payments, Shipping of Physical Product/Digital Delivery of Digital Products
4. Pay sales taxes on sales The Connexion fulfills directly to consumers

The Client agrees to:

1. grant to The Connexion the right to sell Client's merchandise worldwide
2. grant a non-exclusive license to allow The Connexion to use the Client's Intellectual Property (name, trademark, etc) to effectively market and sell Client's merchandise.
3. the fact that it has all rights (including copyrights, trademarks, and service marks) to the merchandise they will provide to The Connexion to sell and that they have the ability to assign those rights to The Connexion. Client acknowledges that all such rights remain its sole responsibility and that The Connexion assumes no obligation or liability therefore; and that it is not under any disability, restriction, or prohibition with respect to its right to enter into this agreement.
4. Client will have reasonable audit rights, no more often than once annually, at Client's expense. A report will be final after two years.

Duration of Agreement: This agreement can be terminated at any time of the Client's choosing via a written request.

Monies: Payments due will be paid by the end of the month following the month of the sale.

On sales of Physical Items and Digital Albums:
80% of the Retail Price shall be paid to Client.

On sales of Individual Digital Songs:
50% of the Retail Price shall be paid to Client.

If Client has less than 50 orders in a calendar year, Client agrees to pay theconnexion a \$50 storage fee in January of the next year. It is the Client's responsibility to keep their contact information current. If for any reason the Client is not an active account and The Connexion's attempts to contact the Client are left unanswered for 90 days, the Client gives permission for The Connexion to dispose of the Client's inventory and The Connexion will not be held liable for it.

Signed and Agreed to this _____ day of _____, 20____

Client: _____

The Connexion: _____

THE CONNEXION
DIGITAL DOWNLOAD AUTHORIZATION
Direct to Consumer Sales via Store

1. Client's Store Management agreement with The Connexion is amended to conform to the following additional terms and conditions; and agrees to pay an upfront \$10.00 "Digital Download Set-Up Fee" for each CD subject to this authorization.
2. Client authorizes The Connexion on a non-exclusive basis to make available to consumers digital downloads of audio or video content including but not limited to complete cds, individual tracks from cds, live shows, etc.
3. Client is informed and understands that the compulsory mechanical reproduction license required under US copyright law for the recording of songs onto hard-copy CDs are not or may not cover digital reproductions and deliveries. Client warrants and represents that it has secured all third party licenses necessary to allow The Connexion to fulfill digital deliveries
OR
will authorize The Connexion to secure those licenses on Client's behalf (via #4). If Client secures the licenses, The Connexion assumes no obligation or liability for third party rights clearances.
4. All tracks on the following CDs are covered by this Digital Download Authorization:

CD (Album) Title

- (i.)
- (ii.)
- (iii.)
- (iv.)

If there are more than four CDs (Albums) covered by this Digital Download Authorization, attach and initial an additional sheet, marked "Covered CDs (Albums), continued."

IMPORTANT! IF YOU DO NOT HAVE DIGITAL REPRODUCTION RIGHTS CLEARED ON ALL SONGS AND TRACKS, YOU MUST REQUEST THE CONNEXION TO SECURE THE LICENSE OR GET THEM YOURSELF – see page 5 of this agreement for more info.

5. Client represents and warrants that Client is not under any disability, restriction or prohibition that restricts Client's ability to enter into this Authorization and that the facts asserted by Client are true and accurate statements. Client indemnifies The Connexion (including legal fees and costs) against any claims alleging facts that are a breach of Client's representations and warranties.
6. Client has read, understands, and accepts the terms and conditions of this Authorization on behalf of all band members and composers.

Client: _____

THE CONNEXTION

Licensing Service for Digital and Physical Audio Sales

Have you a great cover song in your repertoire (or in your head) that you are just busting to share with the world? Did you record it and now you think you can't sell it? Are you holding back because of the legal and licensing issues? Well, wait no longer!

theconneXtion can obtain a mechanical license for any cover song quickly and easily with no fear of denial whether for Physical (cds/vinyl), Digital Downloads to Fans (via your store), or Digital Downloads via Retail (Itunes, Amazon, etc).

A mechanical license is an agreement that allows musicians to record and distribute a composition they don't control. Many publishers require a separate license for each physical and digital use.

If you would like more information regarding this service, including a cost estimate, please sign on the line below and we will contact you to discuss:

THE CONNECTION

theconneXtion is a full service Merchandise Manufacturing Company, if you would like a quote on any job (including future restocking of provided items) or just to chat about your thoughts for future merchandise, just let us know!

 I would like to speak with my Account Manager about your Merchandise Manufacturing Service

_____ I have provided my opening inventory and don't need a quote on anything right now.

*We suggest providing no more than 30 pieces of hard goods (ie. Cds/Dvds) and no more than 12 pieces/size and style for wearables. If you send more than the amounts suggested without preapproval, you will be subject to a warehousing fee based on amount sent.

*Include Full Barcode (12 digits) if you want sales reported to SoundScan. If you are not registered with SoundScan, include \$10 per title and we will take care of it for you.

PHYSICAL MERCHANDISE LISTING

[illegible]

DIGITAL ITEMS LISTING

[illegible]

THE CONNEXTION

CREDIT CARDS ON TOUR – PAPER IMPRINTERS

In early 1997 we began offering Credit Card Administration to our artists so they could accept credit cards as payment for their merchandise while touring. Since then, those artists who chose to participate in the program have realized an average increase of 30% in their Tour Merchandise Sales. Even more remarkable is the fact that these are mostly NEW sales which could not have been realized if the artist was unable to accept payment for their merchandise in the form of credit cards.



If you want to sign up for “Credit Cards on Tour” with a Paper Imprinter, please sign below, and return this sheet with your other paperwork.

This agreement is made between theconneXtion and _____ (Client) to memorialize the terms and conditions of the relationship between the Parties regarding credit card administration.

The Connexion agrees to:

- provide client with a credit card swipe machine and initial package of credit card paper slips
- provide client with the ability to purchase replacement slips
- process all charges submitted within a reasonable amount of time
- provide a monthly report detailing the charges processed
- attempt to collect any ‘declined charges’ or ‘chargebacks’

The Client agrees to:

- act as an agent of The Connexion when accepting credit cards as payment for merchandise sales
- deliver signed credit card slips to The Connexion in a timely manner
- pay any and all sales, use or other taxes resulting from credit card sales handled by client
- reimburse The Connexion for all credit card chargebacks (and associated fees) processed and paid by The Connexion which cannot be collected through reasonable efforts by The Connexion.

Duration of Agreement: This agreement is in full effect until such time as the Client submits, in writing, an intent to terminate the agreement.

Compensation:

- The Connexion will pay the Client 80% of all credit card charges collected during the previous month
- The Connexion will pay the Client 60% of any declined charges The Connexion is able to collect.
- The Client agrees to pay a one-time non-refundable setup fee of \$80 and \$5 per package of paper slips
- Client authorizes The Connexion’s reimbursement through a deduction from any monies owed the Client.

Signed and Agreed to this _____ day of _____, 20____

Client: _____

The Connexion: _____

THE CONNEXION, INC.
COMPREHENSIVE DIGITAL DISTRIBUTION to RETAILERS AGREEMENT
(5 pages)

Client: _____

1. Client engages The Connexion to serve as Client's exclusive (but see #2 below) worldwide agent and distributor in all electronic and digital formats each and all of the Masters, Compositions (music and/or lyrics) and Videos listed on Exhibit A (collectively, the "Works").
2. Although exclusive as to the rest of the World, Client may always offer any or all of the Works from Client's own website.
3. The Connexion, from its own websites and from the websites of arms-length companies, agents and sub-agents with whom The Connexion has agreements ("Affiliates"), may offer Works, in whole or in part, for download as complete recordings, segments of recordings, videotones, ringtones, and audiovisual transmissions including delivery via streaming formats, for sale to the public, and for promoting and marketing the Works in and on websites, print media, internet radio, social networking sites, mobile platforms, and other digital outlets and websites. Promoting and marketing shall be limited to promoting and marketing the Works themselves and for no other product or service, unless otherwise agreed to in writing.
4. The Connexion and its Affiliates may create copies of each of the Works for electronic and digital transmission and delivery to exercise the rights granted in section 3, and may edit the works for "short form" transmissions such as for ringtones, videotones and wallpaper.
5. **Client is informed and understands that the compulsory mechanical reproduction license required under US Copyright law for the recording of songs onto HARD-COPY CDS are not, or may not, cover digital reproductions and deliveries.** The Connexion will have the right, on behalf of Licensor, to authorize RightsFlow, Inc ("RightsFlow") to obtain DPD, mechanical, interactive streaming, limited download and ringtone licenses (individually and collectively, "Mechanical Licenses") for sales in the U.S. under this Agreement. In these instances, The Connexion shall pay the royalties under the Mechanical Licenses directly to RightsFlow on behalf of Licensor for those sales and deduct the Mechanical License payments from Revenue Share payable to Licensor along with an administration fee of twenty percent (20%) of the applicable mechanical rate per sale per Composition. The Connexion's

direct payment to RightsFlow for mechanical royalties is ONLY applicable to sales in the U.S. Outside of the U.S., as is standard industry practice, The Connexion's Retailers shall obtain and pay royalties due for Mechanical Licenses in accordance with local regulations. In the event that Licensor does not deliver correct information on Exhibit B (The Connexion's Digital Distribution Injection form) for the request of Mechanical Licenses and RightsFlow is forced to manually research publisher or songwriter information, upon Licensor's written approval (including e-mail), Licensor agrees to pay one U.S. dollar (\$1.00) per researched song for the relevant calendar quarter.

6. On Client's behalf, The Connexion and Affiliates will collect earnings payable from Sound Exchange in the USA (and similar foreign agencies) earned from streaming of the Masters and the playing of the Masters on non-interactive webcasts, which sums shall be included in Revenue as described below.
7. On a non-exclusive basis, The Connexion and its Affiliates may find opportunities to synchronize Client's Compositions or to use Client's Masters in audiovisual programs such as commercials, TV shows, motion pictures, webisodes, games, etc. No such licenses will be granted without Client's written approval in each instance. Opportunities will be presented to Client if and as they arise. If Client wishes to proceed Client will not circumvent The Connexion and its Affiliates with regard to the negotiation and consummation of such offers.
8. **The rights granted to The Connexion include all licenses and rights, including public performance licenses, necessary for the legal distribution of the Works as set forth in this agreement. Except for licenses administered by RightsFlow, as described in Section 5, Client warrants and represents that all rights contemplated by this agreement are fully cleared, except and unless Client provides written advance notice of rights not cleared for any particular Work. By way of example only, if a Work is a "cover" recording of a composition previously recorded by another artist, Client must either have license from the owner of the Composition or inform The Connexion in writing that Client has no such clearance. If Client knows or later learns that any legally required rights are not cleared, Client will immediately inform The Connexion in writing. The Connexion and Affiliates will, as quickly as practical, remove the challenged work from all outlets under their control or obtain the license from RightsFlow. Client hereby indemnifies The Connexion and Affiliates from any claims, including legal fees and costs, which allege a violation of any party's rights of any kind in the Works.**
9. The Connexion will pay Client the percentages of Revenue set forth on Exhibit A. Revenue is defined as all income earned and received by The Connexion and Affiliates from the sale, license or other uses of the Works under this Agreement less only (a.) sales taxes or other government imposed taxes and fees; (b.) license fees and costs paid on behalf of Client (as described in section 5); and (c) actual costs, if any, incurred by The Connexion and Affiliates to encode any Videos that

are not delivered by the Client in professional quality digitized format. Client's share of Revenue may be held in reserve pending resolution of any claims alleging that legal rights in any of the Works have not been properly cleared for the uses contemplated by this Agreement.

10. The Connexion will report and pay Client on a monthly basis, by the end of the month following the month Revenue is earned and received by The Connexion. If Client disputes any report and payment, Client will have standard, reasonable rights to audit The Connexion's books relating to the Works. Reports will be deemed final after one year from issuance.
11. This agreement can be terminated at any time of the Client's choosing via a written request. Upon receipt The Connexion will begin the process of removing the specified content from all Affiliates.
12. Any claims arising from this agreement that cannot be informally and amicably resolved will be heard in a court of appropriate jurisdiction in Kitsap County, Washington and Washington law will apply.

Agreed to and accepted for The Connexion, Inc.

by: _____
Todd Young, President

Date: _____

Agreed to and accepted for Client

by: _____

Date: _____

IMPORTANT NOTE: BE SURE TO LOOK AT YOUR LISTS CAREFULLY. BE DILIGENT. YOU ARE RESPONSIBLE TO MAKE SURE THAT ALL RIGHTS ARE CLEARED, INCLUDING BUT NOT LIMITED TO RELEASES FROM ALL WHO ARE HEARD ON OR APPEAR IN THE MASTERS OR THE VIDEOS, OR THEIR PACKAGING. YOU MUST TELL US IN WRITING ABOUT ANY RIGHTS NOT CLEARED OR ABOUT WHICH YOU ARE UNSURE. WE ADVISE YOU TO CHECK WITH PROFESSIONAL COUNSEL BEFORE SUBMITTING ANY WORKS YOU ARE NOT SURE ABOUT.

*****The Information regarding Rights will be submitted from Client to The Connexion via The Connexion's Digital Distribution Injection form which will function as Exhibit B-1 for the first work, Exhibit B-2 for the second work, Exhibit B-3 for the third work, and so on, see page 12 for more details on submitting Exhibit B.**

Exhibit A
Revenue Shares / Service Options

The Connexion shall pay Client the following percentage of Revenue.

1. FULL TRACK DOWNLOADS AND STREAMING OF MASTERS TO ONLINE & MOBILE OUTLETS: The Connexion provides three levels of service. The “default” level is “Basic Service.” Two other levels are available, as described below, *but only after mutual agreement*.

(a.) “Basic Service” – Distribution of full track downloads and streaming of masters to online & mobile outlets.

Client receives: 85%.

The Connexion and Client must mutually agree that The Connexion will provide service at a level greater than the Basic Service then they both must initial where indicated

- a. “Distribution w/ Retail Marketing Services” – Distribution of full track downloads and streaming of masters to online & mobile outlets; assistance with feature placements and promo on all major retail sites; personalized assistance with overall marketing efforts.

Client receives: 80%.

Agreed to by Client: _____ Agreed to by The Connexion: _____

- (c.) “Distribution w/ Strategic Marketing Services” – Distribution of full track downloads and streaming of masters to all online and mobile outlets; customized strategic marketing plan & retail placement (e.g., blogs, Widget, social networks, etc.).

Client receives: 70%.

Agreed to by Client: _____ Agreed to by The Connexion: _____

1. **RINGTONES, VIDEOTONES, GAMES, SYNCHRONIZATION, MASTER USE, SPONSORSHIPS,** and all other Revenue sources *except* full track downloads and streaming of masters to online and mobile outlets.

Client receives: 70%.

Exhibit B
The Works

1. For complete albums, please list each album's title where shown below, then skip the rest of this page and **complete The Connexion's Digital Distribution Injection form** which will function as Exhibit B-1 for the first album, Exhibit B-2 for the second album, Exhibit B-3 for the third album, and so on. That's where you'll list all the cuts on each of those albums.

EXHIBIT B: THE CONNEXION'S DIGITAL DISTRIBUTION INJECTION FORM
must be submitted to us electronically. To receive it please email:
collin@theconnexXtion.com and he will email it to you immediately.

First Album title here: _____

Second Album title here: _____

Third Album title here: _____

Fourth Album title here: _____

Fifth Album title here: _____

Need more room? Continue this list on a blank page using this format, and staple it to this page

2. If you are submitting individual compositions and recordings (sometimes called "songs,"), list them below and then skip the rest of this page and **complete The Connexion's Digital Distribution Injection form** which will function as Exhibit B-1 for the first song, Exhibit B-2 for the second song, Exhibit B-3 for the third song, and so on.

First Song title here: _____

Second Song title here: _____

Third Song title here: _____

Need more room? Continue this list on a blank page using this format, and staple it to this page.

3. Videos: (typically a music video of the performance owned by the record label or the artist)

	Title	© Owner	Artist	Director	Length
1.					
2.					
3.					
4.					
5.					

Client's Initials here _____ Date: _____