

## RECORDING MANUFACTURING CONTRACT

AGREEMENT made as of the date signed below by and between \_\_\_\_\_ (hereinafter referred to as the "LICENSEE") and \_\_\_\_\_ (hereinafter referred to as the "OWNER"). In consideration of the following mutual covenants, conditions, and promises, the parties agree as follows:

### I. PURPOSE OF AGREEMENT

1. Owner has recorded master sound recordings (Masters) of certain musical compositions. Either directly or by way of exclusive license, Owner has all rights, title, ownership, and interest, including copyright, in the Masters. Licensee does business \_\_\_\_\_ throughout the United States and the world; which includes the manufacturing of recorded music and the publishing of musical compositions.

2. Licensee desires to manufacture the Masters throughout the Territory. With respect to the Master, the scope of the territory shall be worldwide, only for the purpose of a various artists sampler on a non-exclusive basis.

3. This Agreement provides the terms by which owner authorizes Licensee to undertake that effort. The masters and compositions are identified in the attached exhibit, which by this reference is made a part of and an addendum to this Agreement.

### II. GRANT OF RIGHTS

1. Owner licenses to Licensee, who in turn accepts the license, to undertake the following activities with respect to the Masters throughout the territory:

a. The right to manufacture and sell phono records (including vinyl, tape, compact disc, and any other audio configuration now known or later developed of the Masters.

b. The right to grant non-exclusive synchronization and performance licenses for the use of the Masters for profit in motion pictures, television films, and video productions produced in the licensed territory.

c. All rights not expressly granted to licensee under sections a, b, and c in this, Article II, of this agreement are specifically reserved to the Owner.

d. Owner warrants that he has the authority to grant Licensee the rights identified in sections a, b, and c of this Article II to commercially exploit the Master in the territory (worldwide).

e. Owner further warrants that he is sole and exclusive owner of the rights to these Masters and has the power to enter into and uphold this Agreement and further warranties that the musical compositions of the Masters are new and original compositions and are not an infringement on the copyrights of any other and are not subject to any liens or other encumbrances.

### III. RIGHTS AND OBLIGATIONS OF LICENSEE

1. Licensee agrees it will cause Owner's name to be printed on each copy of the masters that may be sold or distributed by Licensee as identified in the attached exhibit.

2. Licensee will forward to the Owner at no cost ten (10) copies of each edition of the Masters that are published by the Licensee or under the Licensee's authority in each format (e.g. tape, vinyl, compact disc, sheet music, etc..) in which they are published and released for sale to the general public. Thereafter, Owner may purchase additional copies of the phonorecords or other formats at a wholesale price of \_\_\_\_\_ per unit.

3. Licensee will, to the best of its ability, advertise, promote, and distribute and solicit for radio airplay, such Masters with the intention of promoting the musical artists represented herein.

4. The Licensee shall prepare and compile the musical compositions onto one (1) record album and shall complete the production of said record album, including but not limited to, mastering, pressing, plating, titling, artwork, negatives and/or color separation, and assembly.

5. The Licensee shall offer for sale the majority of copies of the Masters from the initial and subsequent pressings as sales and demand warrants; however no additional pressings shall be made after \_\_\_\_\_ months from the execution of this agreement without the express written consent of the Owner.

#### **IV. RIGHTS AND OBLIGATIONS OF THE OWNER**

1. The Owner shall prepare and deliver to the Licensee within \_\_\_\_\_ days of the execution of this Agreement, a 1/4" 15 ips (without noise reduction) analog Master Tape Recording or a Digital Master Recording (e.g. PCM, RDAT copies) with test tones of a quality and fidelity suitable for record reproduction or broadcast to be produced by the Licensee.

2. The Owner shall pay to the Licensee the sum of \_\_\_\_\_ Dollars for production and promotion costs and expenses.

3. The Owner shall notify in writing the Licensee of any additional licensing agreements that the Owner may enter into during the term of this Agreement as specified in this Agreement.

4. The Owner agrees to supply the Licensee with complete copyright information and promotional material, including but not limited to, an 8" by 10" black and white photograph, the printed lyrics of the compositions, and any biographical material on the Owner that may be available. Owner hereby grants to Licensee rights to use such material in the promotion of the Masters.

5. Owner agrees not to license the Masters to any other independent compilation album without the express written consent of the Licensee.

#### **V. ROYALTY PAYMENTS**

1. The Licensee agrees to pay the following royalty shares to the Owner:

2. As an advance against royalties payable to the Owner for the permission to manufacture, distribute, and sell phonorecords of the Master, Licensee agrees to pay the Owner a recoupable but non-returnable advance in the sum of \$\_\_\_\_\_ (one dollar) and/or other good and valuable considerations.

3. This advance payment is due upon the execution of this Agreement for the Masters identified in the attached exhibit. If Licensee does not place phonorecords of the Master for sale to the general public in the territory for reasons beyond its control or if the Licensee can not manufacture and distribute phonorecords of the Masters for reasons beyond its control, the advance specified in V(2) herein need not be returned to us by you.

4. Payment of royalties resulting from licensing to foreign sources shall be one half (1/2) the royalty amount paid for the United States and Canada.

## **VI. ACCOUNTS AND STATEMENTS**

1. True and correct accounts by generally accepted accounting methods shall be kept by the Licensee and a statement of all accounts, including royalties due, if any, as of December 31 and June 30 of each year will be mailed to the Owner within sixty (60) days of these dates. All monies and reimbursements shown to be due under the terms of this Agreement shall be paid concurrent with the submission of said statement.

2. All such payments shall be final and binding to Owner unless specific, written objection, stating the basis thereof, is submitted to Licensee by Owner within one (1) year from the date rendered. Owner or a certified public accountant in Owner's behalf, at Owner's expense, and at reasonable intervals, may examine the Licensee's books relating to the activities during the accounting period for said account statement with written advance notice served by U.S. mail at least ten (10) days prior to such inspections or audits.

## **VII. TERM OF AGREEMENT AND COPYRIGHTS**

1. The Term of this Agreement shall be for the life of the copyright of the recording of said Masters and any and all extensions as per Form SR of the U.S. Library of Congress.

2. Despite the expiration of this Agreement without renewal after the end of this term, Licensee nevertheless shall be obligated to make payments to Owner of any and all unpaid royalties still accruing on the Masters and compositions subsequent to it's expiration.

3. The term of this licensing Agreement shall be a period of five (5) years with an open option period for both Licensee and Owner of an additional five (5) years.

## **VIII. ENFORCEMENT OF COPYRIGHT**

1. Owner authorizes and vests power of attorney to the Licensee to enforce and protect in the territory all of the rights to the Masters and compositions licensed under this Agreement and, if necessary, to join Owner and such others as it deems advisable in any suit or litigation concerning the enforcement of such rights.

2. Any damages or recovery awarded the Licensee by the courts against any infringer shall be divided equally between the Owner and the Licensee, after the deduction of all costs incurred in such litigation.

## **IX. TERMINATION**

1. After the expiration of this Agreement, Licensee shall have the right to sell the remaining inventory. Licensee shall continue to deliver to the Owner royalty statements and payments as outlined in this Agreement accordingly.

2. After the expiration of this agreement, Licensee shall deliver to Owner a written inventory of the phonorecords of the Masters that have not been sold. If Licensee does not wish to continue to sell to the general public the remaining inventory, Owner shall have the right to buy the phonorecords at wholesale plus shipping.

## **X. EXCLUSIVITY**

1. Owner grants to the Licensee the option to acquire the rights to manufacture the licensed Masters worldwide on the basis of a "matching offer option". As soon as the Owner receives an offer from a third party for a license of the Masters in any of the territory, he has to inform the Licensee with the details of such an offer in writing.

2. Licensee has the option to acquire said rights providing he is willing to offer the same contractual conditions as the third party. Licensee will not be required to agree to any conditions which can not be fulfilled by Licensee as readily as by any other party.

**XI. GENERAL**

1. This Agreement shall be binding on the respective parties, their successors, and assigns and shall be governed by and interpreted in accordance with the laws of the State of \_\_\_\_\_. The place of jurisdiction shall be \_\_\_\_\_ County, \_\_\_\_\_(state) for any possible, dispute, suit or litigation arising from this Agreement.

2. This Agreement contains all the understandings, oral and written, of the parties and merges all previous agreements.

3. If any portion of this Agreement is found to be invalid or unenforceable, it shall not affect the balance of this Agreement.

Entered into and agreed upon this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_ Licensee

\_\_\_\_\_ Owner