**Agreement With Record Company For Use of Master Recording Sample**

**Introduction.** This Agreement is between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("Licensee"), and\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("Licensor").

**Master Recording.** Licensor owns all rights in a recording entitled \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the "Master Recording") as performed by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*.*

**New Recording.** Licensee intends to use a portion of the Master Recording (the "Sample") in a recorded composition entitled \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(the "New Recording") as performed by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*.*

**Approved Usage.** Licensee agrees that the amount of the Sample usage shall not exceed that in the copy of the New Recording furnished to Licensor (the "Approved Usage").

**Grant of Rights.** Licensor grants to Licensee the non-exclusive right to use, reproduce and sell the Sample as included within the New Recording. Licensee may re-mix, edit or create new derivative versions of the New Recording but in no event shall Licensee's usage exceed the Approved Usage. This grant of rights shall be for the full length of copyright of the New Recording. Licensor also grants to Licensee and its assigns the right to include and exploit the Sample in the Approved Usage for digital Internet usage, video clips and audiovisual uses all solely for advertising and promoting the sale of the New Recording. This grant shall be binding upon Licensee's assigns and sublicensees. Licensor retains all rights other than those granted in this Agreement.

**Territory.** The rights granted in this Agreement shall be for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the "Territory").

**Other Uses.** In the event that the Licensee intends to use the Sample for any other purposes other than those stated in this Agreement, Licensor agrees to negotiate such licenses in good faith.

**Payments.** Licensee shall pay Licensor as follows. Payments based upon unit sales shall be due regardless of the configuration of the New Recording (that is, compact disc, cassette, etc.) or whether released by Licensee or Licensee's affiliates or sublicensees. Any payments provided in this Agreement are contingent upon the embodiment of the Original Recording within the New Recording. That is, if the Original Recording is not included, no payment is due to Licensor.

***(Choose one and fill in the blank.)***

[ ] **Flat Fee.** Licensee shall pay Licensor a flat fee of $ \_\_\_\_\_\_ upon execution of this Agreement as full payment for all rights granted.

[ ] **Flat Rate.** Licensee shall pay Licensor a flat rate of $ \_\_\_\_\_\_per 100,000 units of the New Recording manufactured and distributed. Licensee agrees to pay Licensor a recoupable advance of $ \_\_\_\_\_\_ for the first 100,000 units upon execution of this Agreement.

[ ] **Royalties and Advance.** Licensee agrees to pay Licensor a royalty of $ \_\_\_\_\_\_ per each copy of the New Recording manufactured and distributed. Licensee agrees to pay Licensor a recoupable mechanical royalty advance of $ \_\_\_\_\_\_ upon execution of this Agreement.

Licensee shall pay Licensor within 30 days after the end of each quarter. Licensee shall also furnish an accurate statement of sales of Records during that month. Licensor shall have the right to inspect Licensee's books upon reasonable notice.

**Copyright Registration.**  In the event that the New Recording is registered for a sound recording copyright, the Master Recording shall be identified in space six of the Form SR as a pre-existing work and a copy of the application shall be sent to Licensor.

**Credit. *(Check if applicable and fill in blanks.)***

[ ] All releases of the Recording shall contain the following statement: "Contains portions of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ used by permission of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. All rights reserved."

**Warranties.** Licensor warrants that it has the power to enter into and grant the rights in this Agreement.

**Commercial Release.** Licensee shall furnish Licensor with two copies of any compact disc, single or cassette (or any other configuration) of the New Recording within two weeks of its commercial release.

**Mediation; Arbitration**. If a dispute arises under this Agreement, the parties agree to first try to resolve the dispute with the help of a mutually agreed upon mediator in \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Any costs and fees other than attorney fees shall be shared equally by the parties. If it proves impossible to arrive at a mutually satisfactory solution, the parties agree to submit the dispute to binding arbitration in the same city or region, conducted on a confidential basis pursuant to:

[ ] the Commercial Arbitration Rules of the American Arbitration Association, or

[ ] the rules of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Any decision or award as a result of any such arbitration proceeding shall include the assessment of costs, expenses and reasonable attorney's fees and shall include a written determination of the arbitrators. Absent an agreement to the contrary, any such arbitration shall be conducted by an arbitrator experienced in music industry law. An award of arbitration shall be final and binding on the Band Partners and may be confirmed in a court of competent jurisdiction. The prevailing party shall have the right to collect from the other party its reasonable costs and attorney fees incurred in enforcing this agreement.

**General.** Nothing contained in this Agreement shall be deemed to constitute either Licensee or Licensor a partner or employee of the other party. This Agreement expresses the complete understanding of the parties and may not be amended except in a writing signed by both parties. If a court finds any provision of this Agreement invalid or unenforceable, the remainder of this Agreement shall be interpreted so as best to effect the intent of the parties. This Agreement shall be governed by and interpreted in accordance with the laws of \_\_\_\_\_\_\_\_\_\_. Notices required under this agreement can be sent to Band at the address provided below.

**Licensee**

Name of Licensee: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Signature of Licensee Representative: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Licensee Representative Name and Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Licensor**

Name of Licensore: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Signature of Licensor Representative: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Licensor Representative Name and Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_