

Independent Label Recording Agreement

Introduction

This agreement (the "Agreement") is entered into between _____, _____ ("Company") and _____, known collectively as _____ and performing under the name _____ (referred to as "Artist"). All references to "Artist" include all members of the group collectively and individually unless otherwise specified.

The parties agree as follows:

Exclusive Recording Services

During the Term (as described below), Artist will render recording services only for the Company and will not, unless otherwise permitted under this Agreement, render recording services for any other party.

Master Recordings

Artist will deliver to Company technically satisfactory recordings containing not less than forty (40) minutes of playing time (the "Master Recording"). Company will release commercial products including physical products [Compact Discs] and digital products [Downloads] embodying the material contained on the Master Recordings (collectively, the "Records").

Term

The Artist's obligation to perform exclusive recording services begins on the latest signature date of this Agreement (the "Effective Date") and continues for _____ months after delivery of the first Master Recording (the "Term"). If Artist grants one or more options to Company as part of this Agreement, any time prior to the end of the Term, the Company may extend the Term by exercising its option. If an option is exercised, the term will continue for _____ months after the delivery of the previous Master Recording ("Option Term"). If Company ever chooses not to exercise an option, the agreement will terminate regardless of how many options remain.

Artist grants to Company (*check if applicable*):

one option two options three options four options ___ options

Grant of Rights

(*Check one and fill in appropriate blanks*)

Beginning on the date when a Master Recording is delivered to Company, Company will be the exclusive owner of rights to all Master Recordings for the period of time: _____ (the "Ownership Period").

Artist assigns to Company all rights to the Master Recording in perpetuity.

After the Ownership Period, all rights in the Master Recordings revert to Artist. During the Ownership Period, Artist grants to Company all right, title, and interest in the sound recording copyright (as provided under the U.S. Copyright Act of 1976 and international copyright treaties) to the Master Recordings, including:

- the exclusive right to manufacture copies of all or any portion of the Master Recordings
- the exclusive right to import, export, sell, transfer, release, license, publicly perform, rent, and otherwise exploit or dispose of the Master Recordings, and
- the exclusive right to edit, adapt, or conform the Master Recordings to technological or commercial requirements in various formats now known or later developed.

Territory

The rights granted to Company are limited to _____

(the "Territory").

Right to Use Artist's Name and Likeness

Company has the right to reproduce or distribute, in any medium, Artist's names, portraits, pictures, and likeness for purposes of advertising, promotion, or trade in connection with Artist or the exploitation of the Master Recordings. Artist will be available from time to time to appear for photography, video performance, or the like, under the reasonable direction of Company. Artist is not entitled to any compensation for such services except for reimbursement of travel expenses.

Side-Artist Recording

(Check one)

During the Term, Artist may perform as part of another artist's recording project (a "side-artist" performance) provided that: (a) the side-artist recording does not interfere with obligations under this Agreement; (b) only one member of Artist performs on the side-artist project; and (c) the following credit is included on the side-artist recording: "[Name of Artist] appears courtesy of [Company Name]."

Artist may perform as part of another artist's recording project (a "side-artist" performance) provided that Company has furnished written consent for such performance. Consent must not be unreasonably withheld. In the event of such performance, the following credit is included on the side-artist recording: "[Name of Artist] appears courtesy of [Company Name]."

Professional Name

With the exception of the Leaving Member sections of this Agreement, Artist will perform and record under the professional name _____ . Artist will not use a different name in connection with the Master Recordings unless Artist and Company mutually agree in writing.

Trademark Search (Check if applicable)

[] Company, at its discretion, may institute a search to determine whether there are any third-party uses for Artist's name. If the search indicates that the name cannot be used, Company and Artist will mutually agree on a substitute name. Any amounts up to but not exceeding six hundred dollars (\$600.00) may be expended for the purposes of the trademark search and will be considered as a recoupable advance.

Production of Master Recordings

Artist is responsible for payment of all expenses incurred in the production of the Master Recordings and will obtain the appropriate permission, clearance, or release from any person or union who renders services in the production of the Master Recordings.

Subsequent Recording of Compositions

Artist represents and warrants that Artist will not record any composition contained on a Master Recording for a period of _____ years from the date of first release of a Company recording containing such composition.

Advances and Recoupable Costs

All money paid by Company to Artist, other than royalties paid under this Agreement, will be considered an advance against royalties ("Advances"). All Advances will be set off against future royalties. In connection with the initial Master Recording delivered, Company will pay Artist an Advance of _____ on the date of _____.

Advance for Option Term (Check and fill in blank if applicable.)

[] In connection with the Master Recording delivered under the Option Terms, Company will pay Artist an Advance of _____ .

Royalties

Company will pay Artist a percentage (the "Royalty") of the Company's sales for all Records as set forth:

Compact Discs. For Compact Discs sold, less the actual container costs (not to exceed _____ % of SRLP), plus excise, sales, and similar taxes,

Company will pay Artist _____ % of (*choose one*):

suggested retail list price (SRLP) or

wholesale price.

Downloads and Streaming Revenue. For Downloads and Streaming Revenue, Company will pay Artist _____ % of net receipts paid to Company regardless of the electronic mechanism for delivery.

Foreign Licenses

Company will pay Artist _____ % of the net receipts paid to Company under any foreign license.

Compilations

If a composition from the Master Recording is used on a compilation or recording in which other artists are included, the Artist's royalty will be prorated. For example, if a composition from the Master Recording is included on a compilation containing nine selections from other artists, Artist shall be entitled to one-tenth (1/10th) of the royalty rate.

Flat Fee

Company will pay Artist _____ % of the net receipts paid to Company under any flat fee license of the Master Recordings or any portion of the Master Recordings.

Promotional Recordings and Cutouts

No royalties will be due on Records furnished on a promotional basis. Nor will any royalty be due for Records sold by Company as cutouts or for scrap or otherwise on deletion from Company's catalog.

Statements; Audit

Company will pay Artist the Artist's Royalties within _____ days after the end of each quarter.

Company will also furnish an accurate statement of sales of Records during that month. Company will pay interest on any late payment from the due date until paid. The acceptance by Artist of any statement or payment does not prevent Artist's later questioning its accuracy. Company will keep accurate books of account covering all transactions relating to this Agreement. Artist or its representatives have the right on reasonable written notice to audit Company's books relating to the Records. If the audit indicates an underpayment greater than \$500 for any six-month period, Company will pay for the audit.

Video (*Check if applicable and fill in blanks*)

If Company decides during the term of this Agreement to produce one or more recordings

combining the audio performance of Artist with a visual image (the "Video"), Company and Artist will mutually agree on the budget and production costs (the "Production Budget") for such Video or Videos. All sums paid by Company as part of the Production Budget will be considered as an Advance against royalties. Company is the sole owner of all worldwide rights to each Video, including the worldwide copyrights. Company has the right to use and allow others to use each Video for advertising and promotional purposes with no payment to Artist. "Advertising and promotional purposes" means all uses for which Company receives no money in excess of incidental fees such as tape stock and duplication and shipping. Artist is entitled to a royalty as established in the Royalty Section for all revenue derived from commercial exploitation of the Videos. Artist will issue a worldwide synchronization license for any Controlled Compositions embodied on a Video. For a period of _____ years from the date of first release of any Video, Company has the right to allow others to use that Video for commercial purposes. If Company licenses or commercially exploits the Video(s), Company will pay, after deducting all costs advanced for production, a royalty of _____ % of the net revenues from any license or sale of that Video. Artist grants to Company the right to synchronize the Master Recordings with visual images to create Videos.

Commercial Release of Records

- Company will release the Records within _____ months of delivery of the Master Recordings (the "Guaranteed Release Date"). Artist will provide written notice if Company fails to release the recording by the Guaranteed Release Date. If, after 30 days from notification, Company has not released the recording, Artist may terminate this agreement. All rights in the Master Recordings will revert to Artist, and Company will have no further rights to the recording, or
- Company will release the Records within _____ months of delivery of the Master Recordings (the "Guaranteed Release Date"). Artist will provide written notice if Company fails to release the recording by the Guaranteed Release Date. If, after 30 days from notification, Company has not released the recording, Artist may terminate this agreement and Artist may acquire the unreleased Master Recording and all related rights by paying to Company the sum of any advance for such Master Recording.

Artist Promotional Records

Company will furnish to Artist a total of _____ promotional Records at no charge. Artist may obtain further Records from Company at Company's then-wholesale cost.

Album Artwork (Check if applicable and fill in blank.)

- Artist, at its own expense, may furnish camera-ready artwork for the Records at the time of

delivery of the Master Recording. Such artwork may be delivered in electronic format. Company has the right to modify or conform the artwork to meet Company specifications and standards. However, Company will consult with Artist before making any modification. If Artist elects not to furnish artwork, Company will prepare the artwork and consult with Artist regarding the design. Company will advance the sum of \$_____ for artwork preparation. This payment is an advance against future royalties.

Artist Warranties

Artist warrants to Company that Artist has the power and authority to enter into this Agreement, is the Artist and copyright holder of the Master Recordings, or has or will obtain all necessary and appropriate rights and licenses to grant the license in this Agreement with respect to the Master Recordings. Artist warrants that the Master Recordings are original to Artist except for material in the public domain and such excerpts from other works that may be included with the written permission of the copyright owners, and that proper clearances or permission have been obtained from the artists of any copyrighted material, including but not limited to any digitally reprocessed samples of material incorporated in the Master Recordings. Artist warrants that Artist's use of any name or moniker will not infringe on the rights of others and that Artist's use of any musical composition or arrangement will not infringe on the rights of others.

(Check if applicable)

Artist further warrants that the Master Recordings do not:

- contain any libelous material
- infringe any trade name, trademark, trade secret, or copyright, or
- invade or violate any right of privacy, personal or proprietary right, or other common law or statutory right.

(Check if applicable)

Artist hereby indemnifies Company and undertakes to defend Company against and hold Company harmless (including, without limitation, attorneys' fees and costs) from any claims and damage arising out of a breach of Artist's Warranties as provided above. Artist agrees to reimburse Company for any payment made by Company with respect to this Section, provided that the claim has been settled or has resulted in a final judgment against Company or its licensees. Artist will notify Company in writing of any infringements or imitations by others of the Master Recording that may come to Artist's attention.

Controlled Compositions License

Artist grants to Company an irrevocable worldwide license to reproduce all compositions wholly or partly written, owned, or controlled by Artist (the "Controlled Compositions"). Artist grants to

Company a first mechanical license for all Controlled Compositions.

Mechanical Royalties

Artist acknowledges and agrees that Company will pay a royalty for the mechanical license on all Records manufactured for sale or commercial distribution at _____% of the minimum compulsory license rate (the "Company Mechanical Rate") applicable in the country of manufacture. The applicable minimum statutory rate will be determined as of the date of the commencement of the recording of the applicable Master Recording. Mechanical Royalties are not payable for musical compositions of one minute or less in duration.

(Check if applicable)

For each Master Recording, Company will pay only a sum equivalent to the Company Mechanical Royalty Rate multiplied by _____.

Leaving Members (Check if applicable)

If any member of Artist ceases to perform as a member of the group ("Leaving Member"), Artist will promptly give Company written notice. If the group disbands, each member of the group is considered to be a Leaving Member. Artist grants to Company an irrevocable option to engage the exclusive services of any Leaving Member as a recording artist. In the event of Company's exercise of this option, the Leaving Member will be considered to have entered into an agreement with Company on all the terms and conditions of this Agreement, including the initial term, the first option term, payments, royalties, and all other applicable terms. The Leaving Member will not, however, be responsible for any outstanding Artist debts, including unrecouped advances.

Termination

Company may terminate this Agreement within thirty (30) days of the expiration of the Term or any Option Period. Artist can terminate this Agreement if Company fails to pay Artist's Royalties when due or to accurately report Net Sales, if the failure is not corrected within 30 days after notice from Artist. If this Agreement is breached because of a failure to pay or accurately report royalties, all rights granted under this agreement revert to Artist, and Company will have no further rights regarding Artist or the Master Recordings.

If this Agreement is terminated for a reason other than Company's failure to pay or accurately report Artist's Royalties, the termination will not terminate the underlying license and copyrights granted to Company by Artist, nor Company's obligations to pay Royalties under this Agreement.

Termination in the Event of Leaving Member

Within ninety (90) days of receipt of notice of any Leaving Member, as defined in the Leaving

Members section, Company will have the right to terminate the Agreement as to the remaining members of Artist. If that happens, all members of Artist will be deemed to be Leaving Members.

Mediation and 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-on mediator in _____. Any costs and fees other than attorneys' fees will be shared equally by the parties. If it is impossible to arrive at a mutually satisfactory solution within a reasonable time, the parties agree to submit the dispute to binding arbitration in the same city or region, conducted on a confidential basis under:

- the Commercial Arbitration Rules of the American Arbitration Association, or
- the rules of _____.

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

General Agreement

Nothing contained in this Agreement makes either Company or Artist a partner, joint venturer, or employee of the other party for any purpose. This Agreement may not be amended except in a writing signed by both parties. No waiver by either party of any right is a waiver of any other right. If a court finds any provision of this Agreement invalid or unenforceable as applied to any circumstance, the remainder of this Agreement will be interpreted to carry out the intent of the parties. This Agreement is governed by and interpreted in accordance with the laws of the State of _____.

_____. This Agreement expresses the complete understanding of the parties on the subject matter and supersedes all prior proposals, agreements, representations, and understandings. Notices required under this Agreement can be sent to the parties at the addresses provided below. In the event of any dispute arising from or related to this Agreement, the prevailing party is entitled to attorneys' fees.

Artist Business Name _____

Artist Representative Name and Title _____

Artist Representative Signature _____

Artist Address _____

Date _____



Company Name _____

Company Representative Name and Title _____

Company Representative Signature _____

Company Address _____

Date _____