

Label-Shopping Agreement

Introduction

This Management agreement is between _____ (“Representative”) and _____ (“Band”), comprising the following members: _____ (“Band Members”).

The Band owns certain musical recording, songwriting, and related rights referred to in this Agreement as “Band Rights.” The Band desires to have Representative “shop” the Band to companies in the music business.

Obligations of Representative

Representative will perform the following services:

- **Representation.** Representative will contact and solicit potential licensees or music industry companies on behalf of the Band. This representation is solely for the purpose of soliciting agreements for the Band in the music business (referred to in this Agreement as “Band Agreements”). During the term of this Agreement, Representative will have the exclusive right to solicit on behalf of the Band.
- **Solicitations and Reports.** Representative will, on a monthly basis, provide to Band a list of companies solicited by Representative, the name of the person to whom the solicitation was made, the manner of solicitation, and follow-up (“Monthly Reports”). Monthly Reports will also provide an estimate of time spent and expenses.

Percentage Payments and Cap

As compensation for the services provided above, Representative will receive *[Check one and fill in blanks]*:

- ☐ **Alternative A.** ____ percentage of income from each Band Agreement (the “Representative Band Income”) up to a total of \$____ (the “Representative Band Income Cap”). Once the Representative has received total payments equaling the Representative Band Income Cap, the Band will have no further payment obligations to Representative from that Band Agreement.
- ☐ **Alternative B.** ____ percent of income from Band Agreements (the “Representative Band Income”).

Exclusions From Representative Band Income

Representative Band Income shall not include the following payments made under a Band

Agreement: *[check if excluded]*

- ☐ video production costs
- ☐ tour shortfall advances
- ☐ union or guild payments
- ☐ nonband songwriter or cowriter payments
- ☐ payments to other musicians performing with Band
- ☐ pension or health contributions
- ☐ other: _____

Payments to Business Manager *[Check if applicable.]*

- ☐ All advances must be paid directly to a mutually agreed-on business manager or accountant, who will issue payments to Representative within thirty (30) days of receipt of Representative Band Income along with any accountings as provided by the licensee, music publisher, or record company.

Costs and Expenses

Regardless of whether a Band Agreement is secured, the Band will pay all reasonable costs incurred by Representative in pursuit of Band Agreements. Such expenses do not include travel and living expenses unless they were incurred at the Band request or approved by Band. Representative will not incur any individual expense in excess of \$50 without prior approval of the Band. The Band will promptly pay Representative costs and expenses on receipt of Representative invoice and itemized statement reflecting such costs and expenses.

Disclaimer

Representative makes no guarantee as to the likelihood of success regarding exploitation of the Band Rights. Representative is free to conduct business other than on the Band's behalf, including relationships with third parties in the same field as the Band.

Term

The term of this Agreement will be for ____ months unless terminated earlier, as provided below.

Termination

This Agreement may be terminated at any time at the discretion of either the Band or Representative, provided that written notice of such termination is furnished to the other party thirty (30) days prior to termination.

- **Termination by Representative.** If this Agreement is terminated by the Representative, the parties will have no further obligation to each other, and the Band is free to contract with any third party without any obligation of payment of any fees to Representative.
- **Termination by the Band.** If this Agreement is terminated by the Band, the Band agrees to pay to Representative the reasonable value of any services rendered by Representative. The parties agree that Representative's hourly rate for rendering services will be _____.

Agreements Not Resulting From Representative Solicitation

If a potential licensee or music company contacts the Band without any direct or indirect solicitation by the Band or Representative, then Representative shall have no rights to any income resulting from any agreements resulting from that unsolicited contact.

Agreements Occurring After Termination

If within ____ months of termination of this Agreement, the Band enters into an agreement to exploit any Band Rights with any company directly contacted by Representative and included in a Monthly Report, the Band agrees to pay the fees established in the "Percentage Payments and Cap" section, above.

Dissolution of the Band

If, during the term of this Agreement, the Band dissolves and determines not to continue as a performing or recording entity, this Agreement will terminate, and no Band Member will be personally bound or personally liable to Representative for work performed.

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-on mediator in _____. Any costs and fees other than attorneys' fees will be shared equally by the parties. If it proves 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 pursuant to: *[Check one]*

☐ the Commercial Arbitration Rules of the American Arbitration Association, or

☐ the rules of _____.

Any decision or award as a result of any arbitration proceeding will include the assessment of costs, expenses, and reasonable attorneys' fees and a written determination of the arbitrators. Absent an agreement to the contrary, any arbitration shall be conducted by an arbitrator experienced in music industry law. An award of arbitration is final and binding on the Band Partners 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

Nothing contained in this Agreement is meant to establish either Representative or Band 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 will be construed as 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 shall be interpreted to best 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 with respect to 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.

If these terms and conditions are agreeable, please sign and execute both copies of this Agreement and return one copy to Representative.

Band Members

Band Member Signature: _____

[L]
[SEP]

Address : _____

[L]
[SEP]

Date : _____ Soc. Sec. #: _____

Band Member Signature: _____

Address : _____

[L]
[SEP]

Date : _____ Soc. Sec. #: _____

Band Member Signature: _____

Address : _____

[L]
[SEP]

Date : _____ Soc. Sec. #: _____

Manager

Band Manager Signature: _____

[L]
[SEP]

Address : _____

[L]
[SEP]

Date : _____ Soc. Sec. #: _____

Representative

Representative Signature: _____

[L]
[SEP]

Address : _____

[L]
[SEP]

Date : _____ Soc. Sec. #: _____