

# 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 will not exceed that in the copy of the New Recording furnished to Licensor ("the Approved Usage").

## Grant of Rights

Licensor grants to Licensee the nonexclusive right to use, reproduce, and sell the Sample as included in the New Recording. Licensee may remix, edit, or create new derivative versions of the New Recording, but in no event will Licensee's usage exceed the Approved Usage. This grant of rights is 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 is binding on Licensee's assigns and sublicensees. Licensor retains all rights other than those granted in this Agreement.

## Territory

The rights granted in this Agreement are for use in \_\_\_\_\_ (the "Territory").

## Other Uses

In the event that the Licensee intends to use the Sample for any purposes other than those

stated in this Agreement, Licensors agree to negotiate those licenses in good faith.

## Payments

Licensee will pay Licensors as follows. Payments based on unit sales shall be due regardless of the configuration of the New Recording or whether released by Licensee or Licensee's affiliates or sublicensees. Any payments provided in this Agreement are contingent on the embodiment of the Original Recording within the New Recording. That is, if the Original Recording is not included, no payment is due to Licensors.

*(Choose one and fill in the blank)*

- ☐ **Flat Fee.** Licensee will pay Licensors a flat fee of \$\_\_\_\_\_ on execution of this Agreement as full payment for all rights granted.
- ☐ **Flat Rate.** Licensee will pay Licensors a flat rate of \$\_\_\_\_\_ per 100,000 units of the New Recording manufactured and distributed. Licensee agrees to pay Licensors a recoupable advance of \$\_\_\_\_\_ for the first 100,000 units on execution of this Agreement.
- ☐ **Royalties and Advance.** Licensee agrees to pay Licensors a royalty rate of \$\_\_\_\_\_ per each copy of the New Recording manufactured and distributed.  
Licensee agrees to pay Licensors a recoupable mechanical royalty advance of \$\_\_\_\_\_ on execution of this Agreement.

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

## Copyright Registration

If the New Recording is registered for a sound recording copyright, the Master Recording will be identified in space six of the Form SR as a preexisting work, and a copy of the application will be sent to Licensors.

## Credit

*(Check if applicable and fill in blanks)*

- ☐ All releases of the Recording must contain the following statement:  
"Contains portions of \_\_\_\_\_ used by permission  
of \_\_\_\_\_. All rights reserved."

## Warranties

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

### **Commercial Release**

Licensee will furnish Licensor with two copies of any compact disc, single, or any other configuration of the New Recording within two weeks of its commercial release.

### **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 by 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 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 Agreement**

Nothing contained in this Agreement makes 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 will be interpreted to carry out the intent of the parties. This Agreement is 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 \_\_\_\_\_

Licensee Representative Signature \_\_\_\_\_

Licensee Representative Name and Title \_\_\_\_\_

Address \_\_\_\_\_

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Date \_\_\_\_\_

**Licensor**

Name of Licensor \_\_\_\_\_

Licensor Representative Signature \_\_\_\_\_

Licensor Representative Name and Title \_\_\_\_\_

Address \_\_\_\_\_

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Date \_\_\_\_\_