

This is an agreement used by a major publishing company that I received for a producer/writer client who wrote the beats for two songs for an artist who had just been signed by a major label. The songs were to be included in that artist's first album release. The client told me he got a "four song deal for \$150,000." Sounded great until I reviewed the agreement. It was more like "sign here, we will send you \$100,000, maybe you'll get the other \$50,000 later, and by the way, you're our writer for the rest of your life."

_____ **Music Inc.**
p/k/a _____ (ASCAP)

Most publishers are affiliated with all three U.S. PROs (ASCAP, BMI and SESAC). But they will insert in the agreement the name of the PRO with which the writer is affiliated. In the producer/writer was affiliated with ASCAP.

Dated: As of March 1, 2015

The following, when signed by you and by us, will constitute the terms and conditions of the exclusive co-publishing agreement between you and us (the "Agreement") with respect to _____ ("Writer," "You" or "Your"):

1. Term:

1.1. The "Term" of this Agreement shall consist of an initial period of one (1) "Contract Period" (as defined below) commencing as of the above date (i.e., the "First Contract Period"). In addition, we shall have three (3) successive options each to renew the Term for a period of one (1) Contract Period (i.e., the "Second Contract Period", the "Third Contract Period", and the "Fourth Contract Period"). It is understood and agreed that our options are consecutive and successive, so that our failure to exercise any particular option will cause any remaining option(s) to lapse as well.

Notice that the "Term" and "Contract Period" have no definite duration. This is because, as we discuss bellow, they will each continue indefinitely until the Writer satisfies the "Delivery Commitment."

1.2. Contract Period/Delivery Commitment:

1.2.1. Subject to the terms of paragraph 1.3. below, each "Contract Period" shall continue for the later of twelve (12) months, or, until thirty (30) days following our receipt of notice (all references to notice in this Agreement are to notice in the manner prescribed in paragraph 9 below) from you of the completion of your "Delivery Commitment" (as defined below) for such Contract Period.

The most important word in this provision is "later." Although each Contract Period *could* end in 12 months, that period will not actually end then, unless the writer has satisfied the "Delivery Commitment."

1.2.2. Your "Delivery Commitment" for each Contract Period shall consist of four (4) 100% newly-written compositions (or the fractional equivalent thereof) which shall be initially commercially released on an LP length recording (embodying no less than ten (10) different musical compositions) in CD format and embodied on the "standard" CD version of such LP as initially commercially released (e.g., and not embodied solely on a so-called "bonus track", "deluxe", "digital-only", "expanded", "limited edition", or "re-released" version of such LP or any other such "non-standard" version of such LP or, if LPs are no longer primarily released in CD format, the then-current, industry-wide dominant commercial release format in a permanent configuration) in the United States during such Contract Period by a "Major Record Company" (i.e., WEA, Sony Music Entertainment, EMI, Universal, or another company then regularly distributed by one of such companies) with a signed mechanical license from the applicable Major Record Company confirming payment of mechanical copyright royalties in the United States at rates not less than 100% of the then-current United States minimum statutory mechanical copyright royalty rate with respect to each such 100% newly-written composition (or the fractional equivalent thereof) (but in no event less than \$.364 in the aggregate for such four (4) 100% newly-written compositions (or the fractional equivalent thereof)) (each such 100% newly-written composition a "Recorded and Released Composition" or "RRC").

This is perhaps the most important provision in this agreement. It ties the duration of the agreement to delivery of songs, but not just *any* songs. They must be songs included in a physical album released by a major record company. Bonus or digital only releases don't count.

Also, the four songs must be 100% written by the Writer "or fractional equivalent thereof." What does this mean? Suppose the Writer who in this case was a producer who creates beats, had 33% writing credit in ten songs, which were included in physical albums and each released by a major label. The total could add up to 3.3 (10 x .33%). The Delivery Commitment would not be met, and the contract would continue.

An even greater burden on the writer is imposed by these words:

...with a signed mechanical license from the applicable Major Record Company confirming payment of mechanical copyright royalties in the United States at rates not less than 100% of the then-current United States minimum statutory mechanical copyright royalty rate”

This is a nearly impossible hurdle for a producer who makes beats for artists. Major record companies almost always make producers accept a lower mechanical rate than 100% of stat. This clause would pretty much guarantee that the Writer could *never* satisfy his Delivery Requirement. The result is that the Writer would have to deliver an unlimited number of songs for the rest of his career (subject to the Writer’s right to terminate the grant in 35 years, a provision in the 1976 Copyright Act intended to benefit artists who sign bad deals at the beginning of their career when they have little bargaining power).

The above quoted words also mean that the Publisher may never have to pay additional advances otherwise due if the Publisher exercised additional option periods. In other words, this “four song” deal is nearly an indefinite song deal, and this is the reason that no writer should sign a music publishing deal except with the help of competent legal counsel to negotiate provisions in a music publishing agreement that are seriously detrimental to the writer.

1.3. In each instance, our option shall be exercisable by written notice to you at any time during the Term up to thirty (30) days after your delivery to us of notice from you of the completion of delivery of your Delivery Commitment for the then-current Contract Period, provided that in no event shall we be required to exercise our option prior to the end of the twelfth month of the then-current Contract Period. For the avoidance of doubt, only written notice from you to us as prescribed in paragraph 9 below will trigger the thirty (30) day period during which we can exercise our option (i.e., submission of your delivery obligation to your creative product manager or to any other employee of Warner Music Group shall not constitute constructive notice as a substitution for written notice as described herein). Notwithstanding the foregoing, in the event we fail to timely exercise any particular option as provided above, you shall send us notice confirming same and expressly referring to this paragraph 1.3. (the "Option Cure Notice") and we shall have fifteen (15) days following our receipt of your Option Cure Notice to exercise the applicable option in which case the Term shall continue without interruption. If, however, we fail to exercise such option within such fifteen (15) day period, then the Term will end at the end of such fifteen (15) day period. For the purpose of calculating the thirty (30) day and fifteen (15) days periods set forth above, it is understood and agreed that any day on which our offices in Los Angeles are closed for business shall not be included in the calculation thereof.

2. Territory: The World.

That the territory is the world is not a problem because this is a major publisher with offices all over the world. However, if this was a small publisher, the Writer may want to investigate the

competence of that publisher's agents or "sub-publishers" in other countries
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3. Scope of Agreement:

3.1. Subject Compositions:

3.1.1. Writer, including, without limitation, any and all of your music publishing entities and we will each own an undivided fifty percent (50%) share of your and Writer's interest in (i) all compositions presently owned or controlled by you and/or Writer, including, without limitation, all compositions included on the attached Schedule "A" (collectively, the "Existing Compositions"), and (ii) all compositions written, co-written (to the extent written), owned or controlled by you and/or Writer during the Term (or written prior to the Term and reacquired by you during the Term) (collectively, the "New Compositions"). The Existing Compositions and the New Compositions are sometimes collectively referred to below as the "Subject Compositions" or "SCs". We will have exclusive life-of-copyright administration of the SCs throughout the Territory. A composition first recorded and/or released during the Term or within three (3) months following the expiration of the Term shall be deemed to have been written and composed during the Term unless you can conclusively prove that such composition was written after the Term.

The Writer should try to delete the words "all compositions presently owned or controlled by you and/or Writer, including, without limitation," in (i) above. There is no reason a publisher should own the Writer's previously created songs unless the Writer wants the Publisher to exploit, or the Publisher is willing to increase the advance payment. Also, the Writer may have entered into licenses for prior songs with a licensee, synch rep or other third party.

3.1.2. You shall submit each SC to your creative product manager (such submission to include a CD, MP3, or then current format of audio recording, together with complete writer/publisher/split/rate/sample and lyric information with respect to each such SC delivered) utilizing the attached Schedule "C". In the case of co-written compositions, such co-ownership and administration shall only extend to your fractional interest which shall be calculated by multiplying one hundred percent (100%) by a fraction, the numerator of which is the number one (1) and the denominator of which is the total number of contributing writers unless we have received notice prior to the initial U.S. release of the specific composition indicating a different ownership share (accompanied by a fully executed writer acknowledgment of such shares utilizing the form on Schedule "C"). For clarification, nothing contained herein shall relieve you of your Delivery obligation.

3.2. Administrative Requirements and Restrictions:

Although it is intended that we and our foreign subsidiaries, affiliates and licensees have the fullest possible rights to administer and exploit the SCs, to utilize your name(s) and approved likeness(es) (subject to paragraph 3.2.5. below) in connection therewith and to execute PA forms (and other routine copyright documents, copies of which we shall provide to you upon our receipt of notice from you requesting same) in your name and on your

behalf as your attorney-in-fact (which appointment is coupled with an interest and is therefore irrevocable), neither we nor our foreign subsidiaries shall do any of the following (nor shall we authorize any affiliate or licensee to do any of the following) without your prior written consent in each instance (which consent shall not be unreasonably withheld by you it being understood and agreed that any request by you to revise the financial or other terms of any request with respect to the use of any SC as a condition of securing such consent or approval with respect to such use of such SC shall ipso facto be deemed unreasonable):

3.2.1. (A) Change or authorize any change in the English-language title and/or lyric of any SC, alter the harmonic structure of any SC, alter the melody of any SC (except insubstantial changes necessary solely to accommodate the syllabic requirements of foreign languages) or register any local translation of an SC with a performing rights society unless a recording embodying such translation has been released;

(B) Except to the extent that the rules and regulations of local mechanical and/or performing rights societies prescribe the share of royalties to be allocated to local adapters/translators/arrangers (which share shall be deducted "off the top" in determining "Gross Receipts", as defined below), all fees and/or royalties to any such persons shall be borne by us;

3.2.2. Issue a mechanical license for the use of any SC on a "top-line" record at less than the prevailing statutory or society rate, except in connection with those types of uses for which reduced-rate licenses are customarily granted in the country in question (provided, that our inadvertent, non-repetitive failure to obtain your prior written consent to such license at less than the full rate shall not be deemed to be a breach of this Agreement) and provided, further, that we will issue mechanical licenses as required by the terms of your current "controlled compositions" and related clauses (as annexed hereto as Schedule "B"), as well as with the corresponding clauses of any future agreement in respect of your recording and/or producing services, so long as such clauses comply with the provisions of paragraph 7.2.1.1., below;

3.2.3. Authorize the use of the title or lyric of any SC or any portion thereof as the title of a play, film or TV program, or authorize the dramatization of any SC or exploit any so-called "grand rights";

3.2.4. Authorize the inclusion of any SC in: any film rated "NC-17" or "X" (or the equivalent) provided that we have been made aware of such rating (except as may be required pursuant to any applicable blanket or similar license under foreign performing rights and/or mechanical rights society regulations now or hereafter in effect or otherwise); any commercial for feminine hygiene products, firearms or political candidates and/or issues or religious causes and/or issues; or any merchandising use, "tie-in", or endorsement;

A writer with clout may be able to negotiate that any sync licenses would be subject to her approval.

3.2.5. Utilize any name, photograph or likeness of, or biographical

material concerning, you (provided, that any such material [as well as any album cover artwork] utilized by a record company with your written consent, or under circumstances deemed to constitute consent pursuant to the applicable agreement with such company, shall be deemed approved for use hereunder, free of charge as between you and us but subject to any necessary third-party clearance). Notwithstanding the foregoing, our use of Writer's name(s) in connection with our administration and/or exploitation of SCs, or in connection with advertising and publicity for our publishing companies, to designate our writers and catalog, or (with your consent) in respect of a profile of you on our so-called "web site" (such advertising, publicity and web site use being at no cost to you) shall not require your consent or prior approval.

3.2.6. Notwithstanding anything to the contrary contained in this paragraph 3.2., we shall not be required to obtain your prior written consent for any usages contained herein which are subject to any and all blanket or similar licenses now or hereafter in effect.

It's very important to be clear that the Writer will be paid for blanket licenses that include his songs. The contract should state that the Writer will be paid on a proportionate basis depending on the number of songs included in the license or the number of "plays," to be negotiated on a case by case basis. Here's the reason why: The major publishers are currently trying to go around ASCAP and BMI and negotiate "direct" licenses for public performance rights with digital music providers such as Pandora, Spotify and YouTube. If they succeed in changing the consent decrees, which now require ASCAP and BMI to include all the songs in their repertoires, the Writer may not see a dime of performance revenues if the publisher takes the position that they don't have to pay the Writer for public performance of songs included in a blanket license. As digital streaming services continue to grow in popularity, they could soon become a major source of income for writers, but not if the publishers are allowed to enter into direct licenses and the publishing contracts are not clear that the write must be paid. See Why Direct Licensing Deals Won't Benefit Songwriters <http://www.digitalmusicnews.com/2015/03/11/dear-senator-lee-please-dont-let-millions-songwriters-get-screwed/> for a comprehensive analysis of this issue.

3.3. Co-Administration Provisions:

3.3.1. Co-Administration of SCs:

(A) Notwithstanding the provisions of paragraph 3.1.1. above, you and Writer (or your and Writer's music publishing designees) shall have the right by notice to us to undertake co-administration rights solely with respect to your applicable share (inclusive of Writer's songwriter royalties) of the SCs {i.e., you shall have the right to directly license solely your applicable co-publisher share (as set forth in paragraph 3.1.1. above) and 100% of Writer's songwriter share of the SCs and we shall have the right to license solely our applicable co-publisher share (as set forth in paragraph 3.1.1. above) of the SCs} as of the accounting period immediately following the accounting period during which occurs the later of: (1) the fifteen (15) year anniversary of the expiration of the Term; (2) your receipt of an accounting statement reflecting the recoupment of all advances hereunder; and (3) our receipt of notice from you requesting such co-administration. It is understood and agreed that your co-administration

rights shall be subject to the terms and conditions of all licenses and other agreements entered into by us prior to the effective date of such co-administration, copies of which shall be delivered to you within a reasonable time following the effective date of such notice.

This clause belongs in the category of “giving ice in winter.” That’s because the Writer only gets to administer his share of publishing in his songs 18 years after the termination of the contract *at earliest*. This is also another example of a clause that could be seriously improved by a lawyer working behalf of a writer with clout.

(B) In the event of such co-administration, it shall be your sole responsibility to provide written notice to all applicable third parties (including, but not limited to, record companies, mechanical rights societies, licensing agents, and your performing rights society) (provided that, upon your request, we shall provide you with the information required for you to contact such third parties) instructing them to make direct payment to you or your music publishing designee (or a third party on your behalf) of your share of Net Income, as well as Writer's songwriter royalties in respect of Gross Receipts which are earned by the SCs subsequent to the effective date of such co-administration (and you shall provide us with copies of all such notices), and we shall have no obligation to collect any part thereof. Notwithstanding the foregoing, if, after the effective date of your co-administration, third parties debit our account for an overpayment of income in respect of the SCs (and we had theretofore accounted to you for such income), the amount of the debit, less our share of such income, shall be considered an overpayment to you and, at our election, shall be immediately paid back to us by you upon demand or deducted from any payments due or thereafter becoming due to you.

3.3.2. Post-Co-Administration Collection:

We shall have the right for twenty-four (24) months following the commencement of your co-administration rights with respect to the SCs to collect all income earned by the SCs prior to the commencement of your co-administration rights but not collected prior thereto ("Post-Co-Administration Collection Period") and such income shall constitute Gross Receipts hereunder and shall be processed and paid pursuant to the terms of the Agreement. Notwithstanding the foregoing, following the termination of the Post-Co-Administration Collection Period for the SCs, we shall have no further obligation to collect and/or pay to you any monies attributable to the SCs, provided; however, if, after the termination of the Post-Co-Administration Collection Period for the SCs any third party debits our account for an overpayment of income in respect of the SCs (and we had theretofore accounted to you for such income), the amount of the debit, less our share of such income, shall be considered an overpayment to you and, at our election, shall be promptly paid back to us by you upon written demand or deducted from any payments due or thereafter becoming due to you.

4. Collection and Division of Income:

4.1. We will be entitled to collect (and shall employ best efforts consistent with our reasonable business judgment to collect) all writer/publisher income (except the so-called "writer's share" of public performances collected by societies and any other amount normally

paid directly to songwriters by a disbursing agent, which, except as otherwise provided in this Agreement, shall be collected by you for your own account) generated by each SC, regardless of when earned (including without limitation pre-Term earnings on Existing Compositions).

4.2. Royalties/Net Income Share:

4.2.1. Except with respect to print income, we shall credit your account hereunder with the following percentages of "Net Income" (as defined in below), which shall be inclusive of Writer's songwriter royalties:

(A) Mechanical Income: Seventy-five percent (75%)

(B) Public Performance Income: Fifty percent (50%) of the Net Income derived solely from the so-called "publisher's share" of public performance income, provided; however, if we license any public performance use directly, we shall be entitled to collect all writer/publisher income in connection therewith and we shall pay you seventy-five percent (75%) of the Net Income derived from such license, it being understood and agreed that the so-called "writer's share" (i.e. the first fifty percent (50%) of the aggregate seventy-five percent (75%) of Net Income) of which shall be paid to you with our next regular accounting and without regard to the recoupment status of your account.

(C) Synchronization Income: Seventy percent (70%)

Even a writer without great past success may be able to negotiate this percentage 75% matching her share of performance royalties.
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(D) Other Income: Seventy percent (70%), provided, however, such percentage shall be forty percent (40%) in respect of any source of income which pays the so-called "writer's share" in respect of such exploitation directly to Writer (and for which such so-called "writer's share" was not collected by us).

4.2.2. With respect to print income, we shall pay you fifty percent (50%) of Net Income in addition to Writer's songwriter print royalties as set forth on Schedule "A".

4.2.3. As used herein, "Gross Receipts" shall be deemed to be the following:

(A) Except with respect to printed editions, amounts received by us in the United States (or credited to our account in reduction of an advance previously received by us in the United States) specifically and identifiably in respect of the use or exploitation of SCs, including but not limited to, from licensees and performing (publisher, not writer's share) and mechanical rights societies, it being understood and agreed that our share of amounts collected by our foreign music publishing subpublishers (which shall be calculated by them "at the source", i.e., as received by them from performing and mechanical rights societies and other licensees, and shall not be reduced by intermediate distribution between various units

of our music publishing group) shall be deemed to be ninety percent (90%) of such amounts (other than the publisher's share of public performance income and mechanical income from "local cover recordings," as defined below), eighty percent (80%) of the publisher's share of public performance income, and eighty percent (80%) of mechanical income from "local cover recordings" (i.e., recordings of SCs not performed and/or produced by you in whole or in part, which are initially recorded and commercially released outside of the United States).

(B) With respect to printed editions manufactured and sold by us or by our exclusive licensees or affiliates in the United States and/or Canada, "Gross Receipts" shall be deemed to be the following percentages of the marked or suggested retail list price ("List") on copies sold and not returned for which payment is received or credited to us in reduction of an advance previously received ("Net Paid Sales"), prorated where less than one hundred percent (100%) of a composition is an SC and also prorated where any edition does not consist solely of SCs (such proration to be based upon the number of copyrighted, royalty-bearing compositions included therein):

(1) twenty percent (20%) in the case of piano/vocal sheet music;

(2) twelve and one half percent (12.5%) in the case of Piano/Vocal folios (with an extra five percent (5%) in the case of a so-called "personality" folio featuring SCs written or co-written by you, together with your name and likeness as a recording artist) or a "matching" folio (i.e., compositions from a specific album on which you are a featured recording artist, together with a replica of the album cover artwork therefrom which is not an "educational edition" as described in paragraph 4.2.3.(B)(3) below). Such royalty shall be reduced prorata in any case in which a "personality" or "matching" folio features you together with another recording artist. For example: the royalty in respect of an "A, B & C" personality folio would be 1/3 of five percent (5%), or 1.667%, while the royalty in respect of an "A, B, C & D" matching folio would be 1/4 of five percent (5%), or 1.25%;

(3) ten percent (10%) in the case of so-called "educational" editions (including, but not limited to, choral, band, guitar, guitar tab, easy piano, orchestral arrangements and other pedagogical editions) and "fake books".

(C) In the case of printed editions manufactured and sold by us or by our exclusive licensees or affiliates outside of the United States and Canada, "Gross Receipts" shall be deemed to be twelve and one half percent (12.5%) of List on Net Paid Sales (subject to the prorations set forth above).

(D) In the case of printed editions sold through an in-house mail order and/or direct to consumer programs, "Gross Receipts" shall be deemed to be fifty percent (50%) of each of the above royalties.

(E) In the case of printed editions sold by third party print licensees and in respect of income from the rental of orchestral material, "Gross Receipts" shall be deemed to be fifty percent (50%) of all sums received by us in respect of such uses.

4.2.4. "Net Income" is hereby defined as Gross Receipts less:

(A) Solely in respect of print income, your songwriter print royalties as prescribed in Schedule "A";

(B) Actual copyright registration fees and the actual and reasonable third party costs of preparing lead sheets;

(C) Actual and reasonable out-of-pocket audit, litigation, and collection expenses, (provided, that you have approved or consented to the commencement of such audit or litigation action and such expenses to be prorated in the event that such expenses are incurred in an action involving other compositions we control); and

(D) "Demo costs" (approved by both parties in writing).

5. Advances:

We shall make the following nonrefundable payments (subject to any withholding which may be required by the rules and regulations of any taxing authority having jurisdiction), which shall be recoupable from Writer's songwriter print royalties pursuant to Schedule "A" and your share of Net Income hereunder:

5.1. In respect of the First Contract Period:

5.1.1. \$100,000 promptly following the full execution of this Agreement and our receipt of all supporting documents and information described herein (including, without limitation, written confirmation from your performing rights society of the full registration of your publishing entity);

5.1.2. \$50,000 promptly following our receipt of notice from you confirming completion of fifty percent (50%) of the Delivery Commitment.

Note that the advance is split into two parts. In this case the producer wrote 50% of two songs that were to be included in an album to be distributed by a major label. As we point out in the second comment in connection with 1.2.2., there is no guarantee that the producer/writer will ever achieve this goal.

5.2. In respect of optional Contract Periods:

5.2.1. In the event that we exercise an option, an amount (payable fifty percent (50%) upon commencement of the applicable option period with the balance payable upon our receipt of notice from you confirming completion of fifty percent (50%) of your Delivery Commitment for the applicable option period) equal to sixty-six and two-thirds percent (66.67%) of your Net Income share of U.S. mechanical royalties (including income derived from

so-called "dpds" or "digital downloads") as reported on the first two royalty statements for the immediately preceding Contract Period, but not less than nor more than the following:

<u>Contract Period</u>	<u>Minimum</u>	<u>Maximum</u>
Second	\$175,000	\$350,000
Third	\$200,000	\$400,000
Fourth	\$225,000	\$450,000

These numbers can be negotiated upwards even by writers without a proven track record of success.

5.2.2. The amounts for the optional Contract Periods in paragraph 5.2.1. above shall be reduced by any then-current unrecouped balance in your account (as reflected on your accounting statement for the accounting period immediately preceding the accounting period during which the applicable optional Contract Period commences), provided that in no event shall the minimum amount in respect of such optional Contract Period be so reduced by more than fifty percent (50%). For the avoidance of doubt, the foregoing amounts set forth in the immediately preceding sentence shall be further reduced by any "Extra-Contractual Advances" (as defined below).

5.3. In the event that you request (and we pay) an advance ("Extracontractual Advance") at a time when such advance is not due hereunder, such Extracontractual Advance shall constitute a pre-payment (in whole or in part, as applicable) of the next advance(s) becoming due and payable hereunder, unless we otherwise agree in writing at the time the Extracontractual Advance is made.

6. Accounting and Payment:

6.1. We will account to you (and make payment where appropriate) within sixty (60) days following the end of each semi-annual calendar period. However, if the amount due for a specific statement is less than \$50, payment (but not the statement) may be deferred until the aggregate amount due to you exceeds \$50. The exchange rates used by third parties in accounting to us shall be used by us in accountings hereunder.

6.2. We will only be required to account and pay with respect to amounts actually received by us in the U.S. (or credited to our account in reduction of a previous advance received by us in the U.S.); provided, that amounts collected by our foreign music publishing subsidiaries which are specifically and identifiably in respect of the use or exploitation of the Subject Compositions shall (subject to the "blocked currency" provisions set forth below) be deemed to have been reported by them to us and received by us in the U.S. no later than the end of the semi-annual accounting period next following the semi-annual period during which such amounts are actually collected by such subsidiaries.

6.3. Audit and Suit:

6.3.1. You (by way of a mutually approved certified public accountant on your behalf, it being understood and agreed that our approval shall not be unreasonably withheld and that we shall not disapprove of an auditor (if at all) more than once per audit) shall have the right to audit our books and records (solely on-site at our offices in Los Angeles, CA) once as to each statement for a period of three (3) years after such statement is received (or deemed received as provided below). Legal action with respect to a specific accounting statement or the accounting period to which such statement relates shall be barred if not commenced in a court of competent jurisdiction within three and one half (3.5) years after such statement is received (or deemed received as provided below).

6.3.2. For the purposes of calculating such time periods, you shall be deemed to have received a statement when due unless we receive notice of no receipt from you within sixty (60) days thereafter. However, your failure to give such notice shall not affect your right to receive such statement (and, if applicable, your Net Income payment) after such sixty (60) day period.

6.4. In "blocked currency" situations, we shall not be required to pay you until the blockage shall have been removed, but if requested to do so, we shall provide you with notice of such blockage and deposit blocked currency royalties in the local currency in a depository of our choice.

6.5. All payments hereunder shall be subject to all applicable taxation statutes, regulations and treaties.

7. Warranties and Representations:

7.1. By your signature below, in each instance in which SCs are delivered to us, you warrant and represent with respect to each such SC: (1) that you own such SC and have the right to grant the rights set forth herein and own the copyright interests being conveyed hereunder, (2) the SC is original, in whole or in part, (3) that the SC does not infringe any third party's rights or violate any applicable criminal statute, including but not limited to such third party's copyright, trademark, service mark, or right of privacy or publicity, (4) that the SC is not defamatory, and (5) that you and your respective music publishing entities are and will remain affiliated with ASCAP, BMI, or another recognized performing rights society (and in the event of your failure to so affiliate and for the purpose of preventing loss of income due to such failure, we shall be entitled to claim one hundred percent (100%) of the publisher's share with the performing rights society and account to you for income derived therefrom per paragraph 4 above until such time as you formally affiliate and notify us of such affiliation). In each instance in which we provide you with a document which is necessary to vest our rights and/or interests in the SCs, you shall execute and return such document to us within ten (10) business days following your receipt of the same. In the event that you fail to do so, in addition to any other rights and/or remedies available to us hereunder, we shall be entitled to execute such document in your name and on your behalf as your attorney-in-fact (which appointment is coupled with an interest and is therefore irrevocable).

7.2. Additional Warranties and Representations:

7.2.1. Except as set forth in the annexed Schedule "B" (your current controlled compositions clause(s)), neither you nor your respective music publishing designees, nor anyone acting on your and/or your respective music publishing designees' behalf or deriving rights from or through you or your respective music publishing designees: (A) has received or will receive an advance, loan or other payment from a performing rights society, record company or other third party which is or may be recoupable from (or otherwise subject to offset against) monies which would otherwise be collectible by us hereunder, (B) is presently subject to any so-called "controlled compositions" clause under a recording agreement or (C) is presently subject to any provision of a recording agreement which would allow a record company to charge any amount against mechanical royalties.

7.2.1.1. Notwithstanding the foregoing, we shall comply with the licensing requirements of the "controlled compositions" clause of any recording agreement into which you (or an entity furnishing your services) have entered into or may enter subsequent to the date of this Agreement, and your and/or such entity's acceptance of such clause shall not constitute a breach of this Agreement, provided such other agreement contains the following:

(A) for "top line" LPs the applicable mechanical rate in the United States with respect to the physical distribution of records embodying SCs is not less than seventy-five percent (75%) (but with respect to the digital distribution of records embodying SCs not less than one hundred percent (100%) of the then-current rate established by the Copyright Royalty Board) of the minimum statutory mechanical license rate in effect on the date of delivery of the first record embodying a specific SC, and the rate in Canada with respect to the physical distribution of records embodying SCs is not less than seventy-five percent (75%) (but with respect to the digital distribution of records embodying SCs not less than one hundred percent (100%)) of the full rate in effect on the date of delivery of masters to your record company in the U.S.;

(B) the per record maximums are not less than ten (10) times such rate in the case of full length records (LPs, cassettes, CDs) (with your reasonable efforts to secure in such recording agreement payment on fifty percent (50%) of LP length "free goods"), three (3) times such rate in the case of 12" singles, and two (2) times such rate in the case of 7" singles or cassette singles;

(C) no advances or other charges under the recording agreement are recoupable from, or capable of being offset against, mechanical royalties in respect of SCs (with the exception of budget overruns, and union late payment penalties); and

(D) accounting provisions providing for the rendition of semi-annual accountings and payments with respect to the SC.

7.2.1.2. If (and to the extent that) one or more of the standards set forth above is not met, and/or in the event of any recoupment and/or offset pursuant to subsection 7.2.1.1.(C), above, we shall nonetheless calculate our share of income as though

such standards had been met and no such recoupment or offset had occurred.

7.2.1.3. In the event that you or any entity acting on your behalf or deriving rights from you directly distributes recordings embodying SCs without the involvement of any record company or any similar such entity who undertakes the obligation to obtain mechanical licenses and make mechanical royalty payments (each a "Self-Releasing Entity"), such Self-Releasing Entity shall pay mechanical royalties to us on the same terms as set forth in paragraph 7.2.1.1. above.

7.2.2. Notwithstanding the foregoing, in the event that any record company to whom you (or an entity furnishing your services) are or may hereafter be under contract charges any advance(s) or other amount(s) against mechanical royalties earned by the SCs from recordings made under such recording agreement or reduces the amount of mechanical royalties otherwise due to you because the mechanical royalties payable with respect to "outside material" embodied in your recordings causes aggregate mechanical royalties to exceed the per-record maximum rate(s) prescribed in the controlled compositions clause of your recording agreement or fails to pay mechanical royalties in respect of all records for which record royalties are payable unless due to Record Company's breach or error, then, in addition to any other rights and remedies available to us, we shall be entitled to (A) send a letter of direction in your name advising your record company of the terms of this paragraph 7 and instructing such record company (upon recoupment from record royalties of any portion(s) of the advance(s) or other amount(s) so charged) to re-credit us directly to the same extent (not to exceed the total amount originally recouped from or charged against mechanical royalties) and (B) reimburse ourselves from any and all monies (including your writer/publisher royalties) earned or due hereunder, for any amount charged against mechanical royalties, except to the extent later recovered through the re-crediting process.

See the second comment in connection with 1.2.2 above. Record companies nearly always make artists who write their own songs accept a reduced mechanical rate – usually $\frac{3}{4}$ of stat and they nearly always reduce the mechanical payable to artists who write if the aggregate mechanical payable, including monies paid to outside writers, exceeds a "cap" of, for instance, $10 \times \frac{3}{4}$ stat. The Writer should not be punished for signing a deal with a record company that has a "Controlled Composition" clause because record companies will generally refuse to delete the Controlled Composition clause except for superstars.

7.2.3. In the event of a breach of this paragraph 7.2., we shall (in addition to any other remedies available to us) be entitled to reimburse ourselves from monies otherwise becoming due to you or your music publishing designee hereunder to the extent that monies are not collectible by us by reason thereof.

8. Indemnities/Claims; Cure of Breaches; Waiver; Assignment:

8.1. Indemnities/Claims:

8.1.1. Each party will indemnify the other against any loss or damage

(including actual court costs and reasonable third party attorneys' fees) resulting from a third party claim due to a breach of this Agreement by that party which results in a final, adverse judgment against the other party or which is settled with the other party's prior written consent (not to be unreasonably withheld or delayed). In addition, your indemnity shall extend to the "deductible" under our errors-and-omissions policy without regard to judgment or settlement.

8.1.2. Each party shall give the other prompt notice of any third party claim which such party receives in respect of any SC and each party shall make a good faith effort to consult with the other prior to responding to such claim.

8.1.3. Each party is entitled to be notified of any action against the other brought with respect to any SC, and to participate in the defense thereof. However, if you wish to participate in the defense by counsel other than our errors and omissions counsel, such participation shall be at your sole cost and expense. Furthermore, in respect of any action alleging that any SC infringes a third party's rights or violates any applicable criminal statute, including but not limited to such third party's copyright, trademark, servicemark, or right of privacy or publicity, we shall at all times have the right to tender the defense thereof to you (i.e., require you to assume the obligation of defense).

8.1.4. If a claim is made against us and/or with respect to any SC, we may withhold a reasonable amount (i.e., an amount reasonably related to the scope of the claim and potential liability including anticipated reasonable third-party attorneys' fees and litigation costs) from monies due or to become due to you, but if requested to do so by notice in the manner prescribed in paragraph 9, below, we will notify you of the amount on legal hold and we will release it if (and to the extent that) suit is not brought with respect to that sum within one (1) year thereafter, and provided that you have reasonably responded in writing to any written inquiry we have made in respect of such claim, and we won't withhold if you provide us with a satisfactory commercial surety bond.

8.1.5. To the extent necessary in our sole reasonable business judgment, we may prosecute, settle, and compromise all claims, suits, and actions respecting SCs. In the event of recovery by us of any monies as a result of a judgment or settlement from any claim, suit, action, or proceeding instituted or initiated by us, such monies shall be deemed Gross Receipts hereunder. Should the cost of any such claim, suit, action, or proceeding (which has been previously approved by you) exceed the amount recovered by us, any cost over and above such recovery shall solely be borne by you. If we have not instituted any suit, action, or proceeding within sixty (60) days after your notice requesting same, you shall have the right (and it shall be your sole remedy), exercisable any time thereafter, to institute such claim, suit, action, or proceeding in your own name, in which case one hundred percent (100%) of the recovery (net of your documented out-of-pocket attorney fees and costs) shall be retained by you, less the amount of the then current unrecouped balance (if applicable) of your royalty account, which shall promptly be paid to us.

8.2. Cure of Breaches: Neither party will be deemed in breach unless the other party gives notice and the notified party fails to cure within thirty (30) days after receiving notice (fifteen (15) days in the case of payment of monies); provided, that if the alleged breach is

of such a nature that it cannot be completely cured within thirty (30) days (or fifteen (15) days, as applicable), the notified party will not be deemed to be in breach if the notified party commences the curing of the alleged breach within such thirty (30) day (or fifteen (15) day) period and proceeds to complete the curing thereof with due diligence within a reasonable time thereafter. However, either party shall have the right to seek injunctive relief to prevent a threatened breach of this Agreement by the other party. All payments required to be made by us hereunder shall be subject to any rights and/or remedies which may otherwise be available to us in the event of a breach of this Agreement on your part not cured in the manner prescribed above.

8.3. Waiver: The waiver of the applicability of any provision of this Agreement or of any default hereunder in a specific instance shall not affect the waiving party's rights thereafter to enforce such provision or to exercise any right or remedy in the event of any other default, whether or not similar.

8.4. Assignment: We may assign our rights under this Agreement in whole or in part to any subsidiary, affiliated or controlling corporation, to any third party owning or acquiring a substantial portion of our stock or assets, or to any partnership or other venture in which we participate, and such rights may be similarly assigned by any assignee. We may also assign our rights to any of our licensees if advisable in our sole discretion to implement the license granted. You shall not have the right to assign this Agreement or any of your rights hereunder without our prior written consent. Any purported assignment by you in violation of this paragraph shall be void from the making thereof.

9. Notices/Statements/Consents:

9.1. Except as expressly provided herein, all notices shall be in writing and shall be sent by certified mail (return receipt requested), registered mail, Federal Express or any other nationally recognized overnight courier that provides for proof of delivery to you and to us at the following addresses, or to such other addresses as the parties may designate from time to time by notice in like manner:

To You: c/o _____

Phone: _____

Fax: _____

Email: _____

To Us: Attn: Head of Legal & Business Affairs

Fax: _____

9.2. Statements (and payments, as applicable) shall be sent by ordinary mail to:

[PLEASE PROVIDE]

9.3. Requests for creative approvals/consents pursuant to paragraph 3.2. above shall be sent by e-mail to you:

c/o [PLEASE PROVIDE]

Phone:

Fax:

Email:

9.3.1. Where the consent or approval of a party is required, it shall not be unreasonably withheld (unless expressly provided otherwise herein) and shall be deemed given unless the party whose consent or approval has been requested delivers notice of nonconsent or disapproval to the other party within fifteen (15) days after receipt of notice requesting such consent or disapproval.

9.3.2. Notwithstanding the foregoing, with respect to the use of any SC pursuant to paragraph 3.2. above, consent or approval shall be deemed to have been given unless we are notified of disapproval from you or your manager or attorney within ten (10) business days (three (3) calendar days in respect of uses pursuant to paragraph 3.2.4.) following your receipt of faxed or emailed notice requesting such consent or approval.

10. First Negotiation Right/Matching Right:

10.1. You shall not sell, transfer, assign or otherwise dispose of or encumber any of your interests in the SCs without first according to us a "First Negotiation Right" (as defined below) and a "Matching Right" (as defined below) in each instance.

10.2. "First Negotiation Right" - prior to negotiating with any third-party, directly or indirectly, relating to the rights concerned you shall give us notice (such notice which shall not be given until you seek, in good faith, to actively pursue third-party offers in connection with the rights concerned) and negotiate with us exclusively for a period of no less than thirty (30) days (unless we send you a notice waiving such period).

10.3. "Matching Right": No party other than us will be granted the rights to purchase or, as applicable, exploit the assets or rights concerned unless (a) you first send notice to us specifying all of the material terms of the offer and the identities of all parties and furnish to us a copy of the offer, and (b) you offer to enter into an agreement with us containing the same terms described in your notice. If we do not accept your offer within thirty (30) days after our receipt, you may then enter into that proposed agreement with the parties referenced in your notice, provided that agreement is consummated within ninety (90) days after the end of that thirty (30) day period upon the terms (or better terms) set forth in your notice. If that agreement is not consummated within the latter ninety (90) day period, no party except us will be granted those rights to purchase or exploit the assets or rights concerned unless you first offer to enter

into an agreement with us as provided above. If we do accept your offer, both parties shall proceed promptly and in good faith to complete our due diligence review and financial audit and industry-standard documentation. We will not be required, as a condition of accepting any such offer, to agree to any terms which cannot be fulfilled by us as readily by any other person (for example, but without limitation, the ability to secure a full mechanical rate from a record company affiliated with that other party), nor be obligated to match any offers that specifies any financing contingency or fails to evidence the ability of the offeror to finance.

11. Law and Forum:

11.1. This Agreement has been entered into in and is to be interpreted in accordance with the laws of the State of California. All actions or proceedings seeking the interpretation and/or enforcement of this Agreement shall be brought only in the State or Federal Courts located in Los Angeles County, all parties hereby submitting themselves to the jurisdiction of such courts for such purpose.

11.2. Service of Process:

11.2.1. Service of process in any action between the parties may be made by registered or certified mail (return receipt requested) addressed to the parties' then-current addresses for notice as prescribed in paragraph 9, above.

11.2.2. Service shall become effective thirty (30) days following the date of receipt by the party served (unless delivery is refused, in which event service shall become effective thirty (30) days following the date of such refusal).

Very truly yours,

By: _____

Chairman and CEO, _____

AGREED AND ACCEPTED:

p/k/a _____ (ASCAP)

Agreement dated as of March 1, 2015

Re: _____
["Writer"]

SCHEDULE "A"

WRITER PRINT ROYALTIES

Calculated on Net Paid Sales of printed editions by us or by our subsidiaries, affiliates or exclusive licensees:

(A) U.S. and Canada

Piano/vocal sheet: 7 cents

Piano/Vocal Folios (other than "fake books" or "educational editions", described below): Twelve and one-half percent (12 ½%) of wholesale (prorated in the case of "mixed" folios to reflect number of royalty-bearing compositions). "Personality" folios [featuring Writer(s)' name and likeness as a featured recording artist] or "matching" folios (featuring album cover artwork and songs from specific album featuring Writers): an additional five percent (5%) of wholesale. Such royalty shall be reduced prorata in any case in which a "personality" or "matching" folio features Writers together with another recording artist. For example: the royalty in respect of an "A, B & C" personality folio would be 1/3 of five percent (5%), or 1.667%, while the royalty in respect of an "A, B, C & D" matching folio would be 1/4 of five percent (5%), or 1.25%.

"Fake books" and "educational editions": (including, but not limited to, choral, band, guitar tab, easy piano, orchestral arrangements and other pedagogical editions) and other printed editions not otherwise expressly provided for in this agreement: 10% of wholesale (prorated to reflect number of royalty-bearing compositions).

(B) Outside the U.S. and Canada: Fifty percent (50%) of Gross Receipts.

(C) Other Income: Fifty percent (50%) of Gross Receipts

(D) In-House Mail Order/Direct to Consumer Sales: Fifty percent (50%) of the above royalties (as applicable).

All royalties above to be prorated based on that portion of a composition which is an SC.

Agreement dated as of March 1, 2015

_____ Re: _____
["Writer"]

SCHEDULE "A" (Continued)

[Pursuant to paragraph 3.1.1.]

"EXISTING COMPOSITIONS"

[SEE ATTACHED]

THE UNDERSIGNED HEREBY ACKNOWLEDGES HAVING READ AND REVIEWED
THE ATTACHED INFORMATION AND HEREBY WARRANTS AND REPRESENTS
THAT SUCH INFORMATION IS TRUTHFUL, ACCURATE AND COMPLETE.

AGREED AND ACCEPTED:

p/k/a _____ (ASCAP)

Agreement dated as of March 1, 2015

Re: _____
["Writer"]

SCHEDULE "B"

The "Controlled Composition" provisions of the _____ Agreement

[Pursuant to paragraphs 3.2.2. and 7.2.1.]

[SEE ATTACHED]

Agreement dated as of March 1, 2015

Re: _____
["Writer"]

SCHEDULE "C"

(Pursuant to subparagraph 3.1.2.)

TO WHOM IT MAY CONCERN:

We are the writers of the composition(s) entitled:

<u>Title</u>	<u>Co-Writer(s) Share</u>	<u>Writer's Share</u>	<u>Publisher's Share</u>
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Our respective ownership interests in the composition(s), and our share of the royalties payable with respect to the composition(s) are stated above.

We agree that we shall be paid our respective share of mechanical royalties from this composition at:

_____ (a) The Copyright Law's Statutory Rate
_____ (b) The Controlled Rate of Artist _____

Very truly yours,

Writer

(Co-Writer's Name)

Publishing Designee: _____

Administered by: _____

Address: _____

(Co-Writer's Name)

Publishing Designee: _____

Administered by: _____

Address: _____

ASSIGNMENT

ASSIGNOR(S): _____ Music Inc
p/k/a _____ (ASCAP)

ASSIGNEE(S): _____

PORTION

CONVEYED: FIFTY PERCENT (50%) OF ASSIGNOR'S UNDIVIDED INTEREST

For valuable consideration, ASSIGNOR hereby assigns, transfers, sets over and conveys to ASSIGNEE that portion of all right, title and interest set forth above in and to the musical compositions set forth on the attached Schedule "A" including the copyrights and proprietary rights therein and in any and all versions of said musical compositions, and any renewals and extensions thereof (whether presently available or subsequently available as the result of intervening legislation) in the United States of America and elsewhere throughout the world, and further including any and all causes of action for infringement of the same, past, present and future, and all proceeds from the foregoing accrued and unpaid and hereafter accruing.

This Assignment includes the exclusive, worldwide right to administer and exploit one hundred percent (100%) of said compositions (or fractional interests) in accordance with the terms and conditions of the Co-Publishing Agreement between the parties of even date herewith.

ASSIGNOR agrees to sign any and all other papers which may be required to effectuate the purpose and intent of this Assignment, and hereby irrevocably authorizes and appoints ASSIGNEE ASSIGNOR's attorney and representative in ASSIGNEE's name or in ASSIGNOR's name as ASSIGNOR's true and lawful attorney-in-fact to take such actions and make, sign, execute, acknowledge and deliver all such documents as may from time to time be necessary to convey to ASSIGNEE, its successors and assigns, all rights granted herein.

IN WITNESS WHEREOF, the undersigned has executed the foregoing Assignment as of March 1, 2013.

AGREED AND ACCEPTED:

p/k/a _____ (ASCAP)

LLC f/s/o

p/k/a _____ (ASCAP)
c/o _____

Dated: As of March 1, 2015

TO WHOM IT MAY CONCERN:

This is to advise that the undersigned has entered into an exclusive co-publishing agreement dated as of the date hereof with _____ ("Publisher") for the co-ownership and exclusive worldwide administration of the following:

Each and every musical composition co-owned by the undersigned and Publisher, including without limitation the compositions set forth on the attached Schedule "A".

You are hereby authorized and directed to address all correspondence, inquiries, royalty statements and royalty payments (regardless of when earned) to Publisher at the following address or otherwise as it directs you in writing:

c/o _____

Any such payments made by you pursuant to this authorization shall discharge you of any obligation to make any such payments to the undersigned.
The foregoing authorization shall remain in full force and effect until modified or terminated by both the undersigned and Publisher.

AGREED AND ACCEPTED:

AGREED AND ACCEPTED:

p/k/a _____ (ASCAP)

