

Commercial Music Contract

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General Information

Commercial Music Contract

This Commercial Music Contract is between an artist and an individual or entity who agrees to purchase all rights in a musical work. This contract sets out the specifics of the agreement including the title of the work, purchase price and accounting and timing of royalty payments to the artist. It also sets out who will own the copyrights to the works and purchaser's rights and duties.

It is imperative that this contract be memorialized in writing. A written Commercial Music Contract will prove invaluable if there are disagreements, misunderstandings or litigation between the artist and the purchaser.

Instructions and Checklist

Commercial Music Contract

- The parties should read the document carefully.
- Insert all requested information in the spaces provided on the form.
- This form contains the basic terms and language that should be included in similar agreements.
- This form includes exhibits which should be attached and incorporated as part of this agreement.
- Read the "Grant of License," "Assignment" and "Rights and Obligation of the Artist" provisions carefully. If they are complicated or ambiguous, provide examples to remove as much uncertainty as possible.
- Read the "Payment" and "Royalty Ownership and Distribution" provisions carefully. If there are disagreements, they will likely focus on the royalty ownership provision.
- This contract must be signed by both the artist and purchaser.
- The parties should retain either an original or copy of the signed contract.
- All legal documents should be kept in a safe location such as a fireproof safe or safe deposit box.

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COMMERCIAL MUSIC CONTRACT

This Agreement is made on the _____ day of _____, 20__ by and between:

PARTIES:

1. Name: _____ having address at _____, OR [Insert the name of artist's group and office address, represented by its _____ (insert the authorized person entering into the agreement)] hereinafter referred to as the "Artist."

AND

2. Name: _____ having address at _____, (if company, insert: incorporated in the State of _____ USA, having its place of business at _____ represented by its authorized representative _____) hereinafter referred to as the "Purchaser."

RECITALS:

- A. The Purchaser is an entity involved in the business of managing, recording, producing and distributing different types of music forms developed by artists throughout the country.
- B. The Artist is a musician (music band) performing under the name _____.
- C. The Purchaser is impressed by the musical abilities of the Artist and the work developed by the Artist by the name _____ (hereinafter referred to as the "Work") has is desirous to buy the Work.
- D. Being desirous to transfer the Work to the Purchaser in a mutually beneficial manner, both parties decide to enter into this Commercial Music Contract (hereinafter referred to as the "Agreement") to facilitate the transfer.

For the reasons set forth and in consideration of the covenants and promises of the parties hereto, parties agree as follows:

1. EFFECTIVE DATE

The Agreement shall commence from the _____ day of _____ 20__, and all rights and obligations of the Parties hereunder shall be effective as of that date. Duration of

Royalty payment under this Agreement shall be for a period of ___ Years from the date of commencement of the Agreement.

2. OBJECTIVE

The Artist conveys all rights over the Work, including copyright and other intellectual property rights on the work related to its melody, lyrics, music etc to the Purchaser by way of assignment/license (chose the appropriate) in order to promote, market and for the commercial sale of the Work to obtain profit.

3. GRANT OF LICENSE (if license, specify a term)

- 3.1. The Artist hereby grants the Purchaser the License to promote, reproduce and market the Work developed by the Artist and more specifically described in this Agreement.
- 3.2. The Purchaser shall have the exclusive license to use the name and photographs of the Artist in the production, distribution and promotion of the Work as required.
- 3.3. The activities for which license is granted under this Agreement may be more specifically described in EXHIBIT A attached hereto.

4. ASSIGNMENT (if assignment, there is no term and the work is completely assigned to the Purchaser on receiving a purchase price)

- 4.1. The Artist hereby sells, assigns, transfers and sets over unto Purchaser the composition and each and every arrangement, adaptation and version thereof related to the Work, together with the universe-wide copyright thereof, throughout the entire universe, and all rights of whatsoever nature, both legal and equitable therein, thereto and thereunder including but not limited to the sole and exclusive universe-wide publication, mechanical instrument, electrical transcription, video cassette and recording, commercial rights, and the right of public performance for profit by any and all means, and through any and all media, and the right to arrange and adapt and all other rights now known or hereafter to become known.
- 4.2. The Artist hereby assigns to Purchaser the United States renewal copyright and all extensions and longer or different terms of copyright which may be provided by law in and to the composition and pursuant to law in the name of Artist and to execute and deliver to Purchaser such formal written assignment thereof, as may be required by Purchaser, subject to the terms of this Agreement.

- 4.3. The Artist hereby assigns all the exclusive right to the Work to the Purchaser in order to publish, reproduce, advertise and market the songs entitled “_____”.
- 4.4. The Artist hereby consents to the assignment of this Agreement and/or the Work or the composition and/or the copyright thereof, or any and all of the rights therein by Purchaser, subject, however to the terms hereof of the royalties herein specified.

5. RIGHTS AND OBLIGATION OF THE ARTIST(in case of granting license)

- 5.1. The Artist hereby agrees to completely co-operate with the Purchaser in completing and delivering the Work within the time frame agreed by the Parties under this Agreement.
- 5.2. Artist is obliged to act in good faith during the production and marketing of the Work and to contribute to the smooth function of the activities by providing lyrics and notes to arrange, edit and perform the songs in an effective manner facilitating the production and the recording within the stipulated time as agreed by the Parties under the Agreement.
- 5.3. All rights, including copyright to the Music, melody and lyrics developed by the Artist under this Agreement shall remain with the Artist and the Purchaser is granted with the license to those activities specifically stated under EXHIBIT A to this Agreement.

6. REPRESENTATIONS AND WARRANTY

- 6.1. The Artist represents and warrants that the work developed by the Artist under this Agreement is new and original version and it does not infringe on any rights, including copyright, of any third party.
- 6.2. Artist further agrees to defend and indemnify the Purchaser against any legal proceedings for copyright infringement or any other similar violations related to the Work under this Agreement.
- 6.3. Artist understands that any expense incurred by the Purchaser in relation to such violations may be born entirely form the Artist.
- 6.4. Artist hereby agrees not to license or assign the Work, its melody or lyrics to any third party, firm or corporation during the term of this Agreement.
- 6.5. (Insert this clause in case of license) The Purchaser hereby agrees that they will not

broadcast or otherwise use the Work licensed by the Artist under this Agreement for any other purpose than what is mentioned herein without the express written approval of Artist.

7. NO ASSIGNMENT (if License)

7.1. The Purchaser has no right to transfer, sale, reassign, sublease or sublicense the right obtained under this Agreement to any third party without the written express consent of the Artist.

8. OPTION TO PURCHASE (if License)

8.1. The Purchaser has a first option to purchase from the Artist all rights related to the Work including copyright to the music, its melody and lyrics under this Agreement.

8.2. The purchase price to the rights shall be fixed by the parties as \$_____.

8.3. On purchase of the rights, the Purchaser becomes the owner of all rights related to the Work and the Artist shall relinquish and release to the Purchaser all worldwide rights to the performance and ownership of the music.

9. PURCHASE PRICE (in case of assignment)

9.1. The Purchase Price under this Agreement shall be an amount of \$_____.

10. ROYALTY OWNERSHIP AND DISTRIBUTION

10.1. As per the Agreement, the Artist shall have an ownership of a percentage of Mechanical Royalty received from the sale of the Work as decided by the Parties and stipulated under this Agreement.

10.2. The Artist shall share a percentage of Mechanical Royalty on the Gross Sale of the Songs which shall be distributed among the Song Writer, Composer and Musician as specifically described in EXHIBIT B attached hereto.

10.3. The Purchaser agrees to pay ____% of Mechanical Royalties to the Artist on Gross Sales for every Record of the Work manufactured and sold.

11. PURCHASER'S RIGHTS AND DUTIES

- 11.1. The Purchaser shall have the exclusive right to reproduce, publish, market and advertise the Work comprised of versions of the copyrighted songs mentioned under EXHIBIT C to this Agreement.
- 11.2. The Purchaser is responsible to ensure that the Artist receives payments towards Royalty as stipulated and specified under this Agreement for each sale as mentioned herein.
- 11.3. The Purchaser hereby agrees to use the Name of the Artists, including the composer, writer, lyricists and such other artists for the purposes authorized under this Agreement and the use of the Name shall conform to the highest industry standards and shall be adopted in a fashion to preserve the inherent value intrinsic in the Name.

12. RECORDS

- 12.1. As per this Agreement, the Purchaser will be responsible to keep accurate records of the proceeds from the sale of the music CD, cassette and any other digital media through which the Work is commercially sold.
- 12.2. The Artist may be entitled to access those records related to the sale of the Work including Song's CD, Cassettes etc, if necessary, after giving one week's prior notice to the Purchaser.
- 12.3. The Purchaser shall duly provide monthly statements of such records related to the sale of the CD, Cassettes etc related to the Song/Work to the Artist without any default.

13. ACCOUNTING AND TIMING OF ROYALTY PAYMENTS

- 13.1. The Purchaser shall be duly responsible to furnish the Royalty Statements related to the sale of the CD, Cassettes or any digital media of the Songs/Work, to the Artist within 30 days, starting from 1st day of each month, for the previous month.
- 13.2. Such Royalty Statements and payments to the Artist shall be deemed to be final unless written notification by the Artist to the Purchaser is made within one month of receipt of such Royalty Statements specifying the reasons for such non-acceptance.
- 13.3. Upon such written request by the Artist to the Purchaser, the accounting books of the Purchaser which involve the Gross Sale and related Royalties shall be made available to a certified public accountant designated by Artist.

14. RELATIONSHIP BETWEEN PARTIES

- 14.1. The Copyright Registration Certificate of the Song/Work shall bear the name of _____.
- 14.2. The sheet music and all printed material related to the Composition of the songs shall bear the names of the copyright registrants.
- 14.3. As per the Agreement, labels on the CD, Cassettes and digital media shall bear the names of both Parties.
- 14.4. The Purchaser shall have exclusive right to issue licenses and sub-publication rights to any other third party under this Agreement. (in case of assignment)
- 14.5. The Purchaser shall be free to make licensing and sub-publication agreements without consulting Artist and upon terms it deems fit and proper in the circumstance. (in case of assignment).
- 14.6. This Agreement is binding upon the parties hereto and their respective personal representatives, successors and assigns.
- 14.7. Nothing in this Agreement shall be deemed to constitute a joint venture, partnership, employment or other legal relationship other than that mentioned hereunder.

15. LIMITATION OF RIGHTS

- 15.1. The Artist understands and acknowledges that the Purchaser shall have the absolute right over the Songs/Work in the manner stipulated under this Agreement.
- 15.2. The Artist grants the Purchaser the right to use name, photograph, likeness, facsimile signature and biographical material in, on and in connection with publications, recordings and advertisements of, containing or relating to the Songs/Work.

16. NO GUARANTEE

- 16.1. The Purchaser do not make and hereby expressly disclaims all warranties, express or implied, with respect to any matter whatsoever, including, without limitation, the amount of Gross Sale of the Songs, or any output or results thereof. The Purchaser specifically disclaims any implied warranty of marketability or sale for the Work compositions as a particular purpose.

17. RATES ON COMMERCIAL PACKAGE OF MUSIC

17.1. The commercial package of the Work will be sold on the rates more specifically described under EXHIBIT C attached hereto. (insert if required)

18. PAYMENT

18.1. All payments under this Agreement shall be made in USD.

18.2. The method of payment under this Agreement shall be by checks or credit cards or such other payment methods as agreed by the Parties from time to time.

18.3. In case of any delay of payment in amounts due to the Artist, such defaults shall carry an interest at 12% per annum until the settlement of the account.

19. INDEMNIFICATION

19.1. The Artist represents and warrants that the Work is not previously sold, assigned, leased, licensed or in any manner the Artist have disposed of or encumbered the rights herein granted to the Purchaser; and that the Artist has the right to enter into this Agreement.

19.2. Artist shall obtain all necessary rights or licenses associated with the Work or any illustrations incorporated into the Work.

19.3. The Artist agrees to indemnify and hold the Purchaser harmless from all loss, liability, damages and expenses by reason of breach of the said representations and warranties.

20. TERMINATION(in case of license)

20.1. Either party to this Agreement may, at any time upon giving [one month's] notice in writing to the other party terminate this Agreement. (in case of license).

20.2. Upon Termination of the Agreement any amount due or accrued out of this Agreement to the Licensor shall become immediately liable and shall be settled within 3 Working Days of such termination.

21. ENTIRE AGREEMENT

The Parties agree that this Agreement constitutes the entire agreement with respect to the subject matter thereof and that it supersedes and cancels any prior agreements or understandings between them, whether written or oral.

22. MODIFICATION

This Agreement shall be supplemented, amended, or modified only by the mutual agreement of the Parties herein. No supplement, amendment, or modification of this Agreement shall be binding unless it is in writing and signed by both the Parties.

23. NOTICE

Any notice to be given by one Party to the other under, or in connection with this Agreement shall be in writing, signed by or on behalf of the Party giving it, and addressed to the recipient at the address or facsimile number set out below or to such other address or facsimile number as that Party may notify to the other Party:

To the Purchaser:

Address: _____

Attention: _____

Facsimile No.: _____

To the Artist:

Address: _____

Attention: _____

Facsimile No.: _____

24. FORCE MAJEURE

The Purchaser shall not be liable by reason of any failure or delay in the performance of its obligations hereunder for any cause beyond its reasonable control, including but not limited to riots, insurrection, war (or similar), fires, flood, earthquakes, explosions, and other acts of god.

25. SEVERABILITY

If any provision of this Agreement is found by any court of competent jurisdiction to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect the other provisions of this Agreement, which shall remain in full force and effect. Where relevant, the Parties shall use their reasonable endeavors to substitute and agree upon a new provision resembling in essence the invalid one in its commercial consequence as much as possible.

26. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of United States of America. The Parties hereby submit to the exclusive jurisdiction of the State of _____.

IN WITNESS WHEREOF, the Parties agreed to execute this COMMERCIAL MUSIC CONTRACT on the day and year specified above.

ARTIST

PURCHASER

WITNESS

WITNESS