

MECHANICAL LICENSE

AGREEMENT made and entered into _____ day of _____,
19____ between _____ ("Licensor") and
_____ ("Licensee").

1. **OWNERSHIP AND COMPOSITIONS:** Licensor warrants and represents that it is the owner of a valid United States copyright in the following musical compositions:

(hereinafter referred to as the "Composition(s)"), and has the right to grant the license herein provided.

2. **LICENSE:** Licensor grants to Licensee the non-exclusive right, privilege and license, to use the Compositions, in the manufacture and sale of sound-recordings in all forms, whether now or hereafter devised or discovered ("Records") throughout the world ("Territory"), for the album entitled below.

3. **ROYALTY:** For such records made and distributed, the royalty shall be the statutory rate in effect at the time the record is released, (*or 75% of statutory rate*) and any royalty stated in terms of a percentage of the statutory rate shall apply to the statutory rate at such time. All royalties and fees for recordings of the composition shall be paid as follows, unless contrary instruction shall be issued:

Ex: Writer - 100% or Publisher 100% or Writer -50% Publisher 50%

Notwithstanding the foregoing, the maximum aggregate mechanical royalty rate which Company will be required to pay in respect of any single, E.P. or L.P., regardless of the total number of compositions contained therein, shall not exceed Two (2) times, five (5) times, and Ten (10) times the "Per Selection Rate" respectively. All mechanical royalties payable hereunder shall be paid on the basis of net Records sold hereunder for which royalties are payable to Artist pursuant to Artist's Recording Agreement with Company.

4. **ACCOUNTING:**

(a) Licensee shall render to Licensor semi-annual statements, (*or quarterly*) and payments thereof, of all royalties payable hereunder, within 45 days after June 30 and December 31, for each period for which any such royalties accrue pursuant to the terms hereof. Licensee shall account and pay for all royalties due to Licensor accruing from the release date of the below referenced album.

(b) Licensor shall have the annual right, on thirty (30) days written notice, at Licensor's expense, to audit Licensee's books and records with respect to royalties payable in accordance to this agreement.

(c) Upon Licensee's failure to account to Licensor and pay royalties as herein provided, Licensor may give Licensee written notice, by U.S. certified Mail, return receipt requested, that, unless the default is remedied within thirty (30) days from the date of the notice, the license will automatically terminate. Such termination shall render either the making or the distribution, or both, of all records for which royalties have not been paid, actionable as acts of infringement under the United States Copyright Act.

6. **CREDIT:** In regards to all records manufactured, distributed and/or sold hereunder, Licensee shall include in the label copy of all such records, or on the permanent containers of all such records, printed writer/publisher credit in the form of the name of the writers and the publishers of the copyrighted work as listed below.

7. **WARRANTY & INDEMNITY:** Licensor indemnifies and hold harmless Licensee, its successors and assigns from any and all loss, damage, cost or expense, including attorney fees, by reason of any adverse claims by others in and to the subject matter hereof, or by reason of any breach of any of the expressed warranties herein contained, or by reason of any adjudication invalidating said mechanical rights or copyright privileges under which this license is granted.

8. **ASSIGNMENT:** This agreement is assignable by either party and shall be binding upon the heirs, legal representatives, successors and assigns of the parties hereto.

9. **TERM:** This license shall continue in effect for the life of the copyright on the Compositions.

10. **EFFECTIVE LAW:** This agreement shall be construed in accordance to the laws of the State of Texas.

11. **LICENSING INFORMATION:**

Artist:

Song Timing:

Album Titles:

Release Date:

Label Name:

Release Number:

Agreed and Accepted:

Licensor

Licensee

By: _____

By: _____