

## SHOPPING AGREEMENT

THIS AGREEMENT, made this \_\_\_\_\_, 200 , by and between \_\_\_\_\_ (hereinafter referred to as "Artist", with his principal residence at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ (hereinafter referred to as "Counsel"), with offices at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.

It is understood that Artist seeks to enter into a Record Contract as defined herein; and that Counsel, by reason of Counsel's contacts, experience and background, is qualified to represent Artist's interest in procuring offers to enter into a Record Contract. Therefore, Artist and Counsel agree as follows:

1. **SCOPE OF AGREEMENT.** Artist hereby engages Counsel during the term years hereof to exclusively represent, counsel, advise and solicit offers on Artist's behalf for a Record Contract between Artist and a Record Company which shall include a Major Record Production or Distribution Company, an Independent Record Company, or a Pressing and Distribution Company (or Companies), collectively referred to as "Record Company" and defined further as follow:
  - a. Major Record Production or Distribution Company includes, but is not limited to Universal/BMG, EMI/Capitol Sony, Warner Bros. Records or any related imprint or affiliated labels.
  - b. Independent Record Company includes and other Independent Records Production or Distribution Company.
  - c. Pressing and Distribution Company includes companies which manufacture and distribute Artist's produced, recorded material.
  
2. **REPRESENTATION.** This agreement, and the fees, expenses and compensation earned by counsel hereunder, is limited solely to Counsel's solicitation of offers on Artist's behalf for the purpose of procuring an offer to enter a Record Contract. This Agreement also governs the negotiation of a Record Contract or other legal matters that may arise from time to time. "Negotiation" or "Negotiations" is defined as the conducting of communications and/or conferences resulting from an offer to enter a written Record Contract. In the event Artist desires Counsel's services for other legal matters, said legal services will be performed under the terms of a separate representation agreement, and shall be paid from funds other than those deposited in the firm's trust account at Brighton Bank as set forth in Section 4.a. **THIS PARTICULAR AGREEMENT, AND IN PARTICULAR, THE COMPENSATION PROVISION OF PARAGRAPH 5, DOES NOT SEEK TO COMPENSATE COUNSEL BASED ON ANY OTHER TYPE OF ENTERTAINMENT INCOME EARNED BY ARTIST OTHER THAN THAT RECEIVED BY THE ARTIST UNDER THE TERMS OF HER RECORDING CONTRACT.**
  
3. **TERM.**
  - a. The term of this Agreement shall be for a period of twelve (12) months commencing on the date hereof.
  - b. If Counsel is engaged in negotiations with a Record Company during which time this Agreement would otherwise terminate, then, upon written notice given by Counsel, prior to the termination hereof, this Agreement shall be extended for a reasonable period of time, not to exceed six (6) months, to conclude said negotiations. In the event Counsel brings Artist an offer from a Record Company, Artist agrees to promptly enter into good faith negotiations with the Record Company until Artist informs Counsel that negotiations are completed and a Record Contract is signed by the parties thereto or until the negotiations cease.

- c. If Artist rejects an offer from a Record Company during the term hereof, and subsequently accepts an offer from that Record Company within a period of twelve (12) months following the termination hereof, it shall be deemed that the Record Contract was executed during the term of this Agreement.
- d. Counsel will keep Artist fully informed about all solicitations. Counsel will send to Artist a list of all solicited Record Companies and copies of all correspondence relating to the solicitations conducted in connection with this Agreement.

#### 4. FEES AND EXPENSES.

- a. For fees and expenses, Artist shall pay Counsel a \$500 retainer. The amounts not drawn from the retainer are refundable to Artist. Counsel shall deposit the retainer amount in Bruce Newman, Esquire, Trust Account. Counsel shall thereafter draw from said account for legal fees rendered and expenses incurred in connection with performing this Agreement.
- b. Fees and expenses incurred by Counsel that shall be reimbursed immediately shall include reasonable direct office expenses including, but not limited to federal express, postage, etc., and travel as such trips may be reasonably required in order for Counsel to perform this Agreement.
- c. Apart from the fee and expense provisions set forth in this Section, Artist shall have no liability to Counsel for the reimbursement of Counsel's legal fees or expenses incurred in connection with the performance of this Agreement.

#### 5. COMPENSATION.

- a. Upon execution of a Record Contract, Counsel shall received from Artist as further compensation for services rendered hereunder a sum of money equal to the percentages of Artist's "Gross Income" (as defined below) as follows:
  - (i) Seven (7%) percent of Gross Income attributable to the "recording fund" allocated by the Record Company for the recording of master recordings for the life of the Record Contract. In the event the contract provided for a personal advance to Artist and recording budget (as opposed to a "recording fund"), then the total of the advance and "recording budget" shall be substituted for the recording fund in calculating Counsel's compensation.
  - (ii) Five (5%) percent of Gross Income earned by Artist, subject to the recoupment of actual recording costs by the Record Company, of royalties earned by the Artist and not paid to a third party producer from the Record Company, from the sale of master recordings derived therefrom, forever.

- b. The term Gross Income, as used herein, refers to the total of all earnings pursuant to the Record Contract, and any including contracts derived from the sale or licensing of music featured in the master recordings for the life of the Record Contract. Said Gross Income shall not be accumulated or averaged and shall include salaries, bonuses, royalties based on sales or advances against royalties or any pecuniary substitute thereof, earned by the Artist or by any of Artist's heirs, executors, administrators, assigns or by any person, firm or corporation (including Counsel) on Artist's behalf. It is understood that, for the purposes hereof, no expense, cost or disbursement incurred by Artist in connection with the receipt of Gross Income shall be deducted therefrom prior to the calculation of Counsel's compensation hereunder except as follows:
    - (i) Advances recoupable from Artist's royalties actually paid to third parties for recording costs including, without limitation, recoupable producer's fees, advances and royalties;
    - (ii) Advances recoupable from Artist's royalties actually paid to third parties for video production and television costs;
    - (iii) Advances recoupable from Artist's royalties actually paid to third parties for tour support including, without limitation, sound and light expenses, transportation and equipment rental
  - c) Counsel's compensation pursuant to Section 5(a)(i) above shall be paid promptly upon execution of the Record Contract. Counsel's compensation pursuant to Section 5(a)(ii) above shall be paid at the time Gross Income is paid to Artists and shall be accompanied by a copy of any statement of accounting rendered to Artist by Record Company. Artist may elect to include a provision in the Record Contract requiring that Counsel's compensation be paid by Record Company directly to Counsel as a third-party beneficiary to the Record Contract.
  - d) There is no limit on Counsel's compensation under Section 5 of this Agreement..
6. **MUTUAL WARRANTIES AND REPRESENTATIONS.** Both parties warrant and represent that no act or omission hereunder will violate any right or interest of any person or firm or will subject the other party to any liability or claim of liability to any person. Both parties warrant that they are under no disability, restriction or prohibition with respect to their rights to execute this Agreement and perform its terms and conditions. Both parties agree to indemnify the other party and to hold the other party harmless against any damages, costs, expenses, fees (including attorney's fees) incurred by the other party in any claim, suit or proceeding instituted against the other party in which any assertion is made which is inconsistent with any warranty, representation or covenant of that party. A party's obligation to indemnify shall be conditioned upon the prompt notice of an asserted claim for which indemnification may be sought and upon that party's right to intervene and participate, at its own expense, in defense of the claim.
7. **NEW MEMBER.** In the event that at any time hereafter a new member is intended to be added to Artist as an addition to Artist, Artist shall immediately inform any such prospective additional member of this Agreement of all of its terms and shall immediately inform Counsel of the name and address of any additional member and shall immediately cause such additional member to execute this Agreement.

8. MISCELLANEOUS.

- a. Artist and Counsel each acknowledge that they have carefully read this Agreement and that they fully understand its contents.
- b. There shall no change, amendment or modification of this Agreement unless it is reduced to writing and signed by all parties hereto.
- c. No waiver or any breach of this Agreement shall be construed as a continuing waiver or consent to any subsequent breach hereof.
- d. This Agreement does not and shall not be construed to create a partnership or joint venture between the parties hereto.
- e. This Agreement shall be construed in accordance with the laws of the State of Tennessee governing contracts wholly executed and performed therein, and the parties hereto agree to submit to the jurisdiction of the Courts of the State of Tennessee and that service of process may be made by certified mail in lieu of personal service thereof.
- f. This Agreement shall be binding upon and inure to the benefit of the parties' respective heirs, executors and successors.
- g. In the event any provision hereof shall be for any reason illegal or unenforceable, the same shall not effect the validity or enforceability of the remaining provisions hereof,
- h. Any and all notices, statements, requests, demands and other communications required or permitted to be given by this Agreement shall be in writing and shall conclusively be deemed to have been given if personally delivered to, or if enclosed in a stamped and sealed envelope, and mailed by registered or certified mail in the United States Mails addressed to the party to whom it is authorized to be given at the address first set forth above or at such other places as the parties shall designate in writing by certified or registered mail.

IN WITNESS WEHREOF, the parties hereto have executed this Shopping Agreement the day and year first above written.

ARTIST:

COUNSEL:

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