

# PRODBY WALKZ

## BASIC LEASE AGREEMENT

THIS AGREEMENT, made and entered into serves as a legally binding agreement between Prod By Walkz (**Licensor**) and You (**Licensee**). This agreement grants the Licensee certain exclusive rights to the song being licensed.

This contract agreement is binding. All guidelines, limitations and request forthcoming within shall apply to each instrumental included in the collection of ProdByWalkz.com. This stands as an individual agreement for each instrumental on the previously stated products ("ProdByWalkz.com") and should be treated as such. Any instrumental that is purchased will fall under ALL guidelines stated within this contract for the name of the current instrumental, or any name which it is given.

### Definitions

The term ("**Licensor**") used in this agreement shall refer to Prod By Walkz as the owner and Licensor of said instrumental. The term ("**Licensee**") used in this agreement shall refer to the person or persons purchasing said instrumental. The term ("**Company**") used in this agreement shall refer the Record Label, Publishing Company, or any of its affiliates exploiting said Master. The term ("**Master**") used in this agreement shall refer to any original recording which has been accepted by Company as commercially satisfactory for the production of records and which embodies performances by Licensee of a selection chosen by Company.

### Payment

The Licensee agrees to pay the Licensor a non-refundable fee of \$29.99 for the non-exclusive use of the Instrumental that is being licensed in this Agreement for the purpose of creating a new composition.

### Term

This non-exclusive license agreement shall expire one (1) year from the execution of this agreement.

### Master Recording

The Licensor hereby grants the Licensee the right to record vocal and/or instrumental synchronization to any or all parts of the Instrumental. The Licensee understands that their Exclusive usage of the Instrumental is limited to one new composition and if the Licensee wishes to use the Instrumental in other new compositions, then the Licensee must obtain another license to use the Instrumental from the Licensor. The Licensee also agrees to refrain from editing the Instrumental that is being licensed in this agreement, by changing the arrangement of the Instrumental or by removing any melodies, instruments, drum programming or sounds that are contained within the Instrumental.

## **Profitable Distribution**

The Licensee is limited to distributing one (1) version of the Master Recording for profitable use. The Licensee has the right to make up to two-thousand and five hundred (2,500) copies of the Master Recording, which can be distributed on any kind of recording media including, but not limited to: compact discs, DVDs, VHS videos, and all other forms of media. In the event of a Master recording selling in excess of two-thousand and five hundred (2,500) copies upon being released the Licensor MUST be paid a FULL Mechanical Royalty at the statutory rate of 9.1 cents as enforced by the Harry Fox Agency.

## **4% Royalty**

(1) With respect to net sales of the Master/Album through normal retail distribution channels in the United States (**USNRC Net Sales**), you (**Licensee**) shall irrevocably direct Company (i.e. Label, Publisher) to pay directly to Licensor a royalty of four percent (4%) of the suggested retail list price of the Master/Album (or, if Company computes royalties on a **wholesale** basis, eight percent (royalty base price). With respect to exploitations of the Master in respect of which Licensor is paid a portion of Company net receipts, **Licensor** is entitled to a fraction of the net receipts paid to or credited to your account, the numerator of which is Licensor's basic royalty rate hereunder and the denominator of which is the basic royalty rate payable to you (**Licensee**) under the Company agreement. The royalty payable to Licensor for foreign sales, singles, budget records, mid-priced records, club sales, compact discs, and any contained on the Album for which you (**Licensee**) are paid a reduced royalty shall be computed by reducing **Licensor's** basic royalty rate in the same proportion that the basic royalty rate payable by Company to you (**Licensee**) for USNRC Net Sales of the Album is reduced. All royalties payable to Licensor shall be computed, calculated and paid in the exact same manner and at the same time (e.g., container charges, free goods, reserves, etc.) as royalties payable to you (**Licensee**) by Company are computed, determined, calculated and paid pursuant to your recording agreement with Company. With respect to sales of records embodying Masters produced by **Licensor** coupled with other master recordings, **Licensor's** royalty shall be multiplied by a fraction, the numerator of which is the number of Masters produced by **Licensor** on the record in question and the denominator of which is the total number of master recordings embodied on that record. **Licensor's** royalties as aforesaid shall be payable retroactively to the first record sold after recoupment by Company at the net artist rate of solely the acquisition cost of the Album (it being understood that **Licensor** shall not be required to *stand behind* or otherwise bear any portion of any *general* artist advances or any other costs [except for the acquisition costs specified earlier in this sentence] that Company may charge against **Licensor's** account). Following such recoupment, **Licensor's** royalty shall be payable both retroactively to the first record sold and prospectively on all records sold thereafter.

(2) Notwithstanding anything to the contrary contained herein, it is agreed that royalties payable to **Licensor** shall not be cross-collateralized against royalties payable to **Licensor** under this or any other project which **Licensor** may produce for you (**Licensee**) in the future.

## **Publishing**

In pursuant to the release of a Master Recording, the Licensor is entitled a 25% royalty for the composition of the track from all Performance Royalties that are received upon the release of the Master Recording. In the event the Licensor publishes the Master, Licensor will receive 25% publishing royalty for the composition, as well as a 50% royalty of all monies received for Publishing the Master Recording.

## **Credit**

The Licensee must give production to the proper credit to the Licensor for any and all distributed material. This can be done verbally (through recorded vocals on the Master Recording) or written in or on the CD booklet or outside cover. The Licensor reserves the right to keep an audio signature at the beginning of all exclusive instrumentals. All written credits must state; Produced By: Walkz for Prod By Walkz.

**Indemnification:**

Accordingly, Licensee agrees to indemnify and hold Licensor harmless from and against any and all claims, losses, damages, costs, expenses, including, without limitation, reasonable attorney's fees, arising of or resulting from a claimed breach of any of Licensee's representations, warranties or agreements hereunder.

**Audio Samples:**

3rd party sample clearance is the responsibility of the licensee.

**Miscellaneous:**

This license is non-transferable and is limited to the Composition specified above, does not convey or grant any right of public performance for profit, constitutes the entire agreement between the Licensor and the Licensee relating to the Composition, and shall be binding upon both the Licensor and the Licensee and their respective successors, assigns, and legal representatives.

**Governing Law:**

This License is governed by and shall be construed under the law of the California, United States, without regard to the conflicts of laws principles thereof.

By receiving this contract via email or upon purchase, you automatically agree to the terms stated above and gain an Exclusive license to the Instrumental.