

# BASIC MECHANICAL LICENSE

(SAMPLE 1)

This Agreement made and entered into this \_\_\_\_\_ day of 20\_\_\_\_, by and between \_\_\_\_\_ (referred to as the "Owner") and \_\_\_\_\_ (referred to as the "Licensee").

Owner hereby grants to Licensee the right to record, reproduce, market and sell the musical work now entitled:

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under the following terms and conditions:

1. Owner warrants and represents that it is the sole and exclusive proprietor of a valid copyright or license in the musical work composed by:

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(hereinafter referred to as the "Work" or "Musical Work"), and that Owner has the right to grant the license herein contained.

2. Owner grants to Licensee the nonexclusive right, privilege and license, during the term of the copyright of said Work and all renewals and extensions thereof, to use the Work, and to make and/or use arrangements thereof, in the manufacture and sale of parts of instruments serving to reproduce the Work in the United States.

3. Licensee shall pay to Owner royalties at the following rates on all copies containing the above-named musical Works manufactured, sold and paid for in the United States during the term of the Work's copyright and all renewals and extensions thereof:

(a) For each phonorecord manufactured, sold, and paid for, the Licensee shall pay the Owner EIGHT AND ONE-HALF (8.5) CENTS.

(b) The term "phonorecord(s)" or "records", as used herein, means any and all methods of mechanically reproducing the musical Work including, but not limited to, phonograph records, cassette tapes, digital audio tape, compact disc and any and all methods of reproducing the Work, now known or to later come into existence.

4. Licensee agrees to render to Owner quarterly statements, and payments hereof, of all royalties payable hereunder, within 45 days after March 31st, June 30, September 30, and December 31, for each quarter for which any such royalties accrue pursuant to the terms hereof.

5. (a) As to records manufactured in the United States and sold by Licensee for export to other countries, royalties shall be payable pursuant to this contract, except with respect to records exported to countries which require the payment of copyright royalties in connection with the import or sale of such records, in which event no royalties shall be payable hereunder.

(b) As to all mechanical devices (such as masters) which are exported by Licensee to companies in other countries for use by such companies for the manufacture and sale of records, a royalty of ONE HALF the United States royalty rate shall be payable to the Owner.

6. Owner shall hold harmless, Licensee from loss or damage (a) arising out of or connected with any claim by a third party or parties which is inconsistent with any of Owner's warranties in paragraph 1 hereof, or (b) by reason of any adjudication invalidating the copyright of the Work.

7. This contract is assignable by either party as long as the royalty rate herein stated is paid to Owner and shall be binding upon the heirs, legal representatives, successors and assigns of the parties hereto.

**AGREED TO** and entered into by the parties hereto.

**OWNER**

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**LICENSEE**

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