



License agreement dated as of \_\_\_\_\_, 2010 between The Aircraft Music Library, a division of Cav Corp. ("AIRCRAFT," "us," "we," "our") with an address at 162 Columbus Avenue, Boston, MA 02116 and \_\_\_\_\_ ("you," "your" or "Artist") with an address at \_\_\_\_\_.

Thank you for your interest in licensing your musical material embodied on master recordings ("Master(s)") to AIRCRAFT. This License Agreement is a legal document that gives AIRCRAFT the right to market your music to our clients and to other parties that might be interested in using the music in furtherance of their commercial and/or artistic purposes. As set forth below, AIRCRAFT will participate with you in the revenues derived from such clients and third parties.

AIRCRAFT and you agree to license the Masters as set forth in this Agreement:

1. This is a non-exclusive contract: you can list your music with other companies. Unless otherwise indicated on Schedule A, the Masters have not been licensed or sold to any other third party. You warrant that none of the music you're providing is exclusively listed with other publishers or record companies.
2. You grant us a license to the Masters and the right to authorize the use and sublicense of your Masters, as listed on the attached Schedule A, in any commercial way we deem worthwhile, in our reasonable business discretion. This may include, by way of illustration and not limitation, the use of the recordings in advertisements, synched to visuals, in software, on the internet, through online systems (direct or indirect distribution, whether over telephone lines, cable television systems, optical fiber connections, cellular telephones, satellites, wireless broadcast, or other mode of transmissions now known or subsequently developed), as single records or in compilation CDs or any other format now known or hereafter developed, for public performance licensing, in the promotion of products (including products and works that contain the music), or any other manner or use now known or hereafter developed. When a Master is embodied in software, video games, and other products the sublicensee will have the right to sell, license, rent, or lease such products and to authorize third parties to sell, license, rent, or lease the products. At our request, you agree to execute such other documents, which we deem necessary to secure or affirm the rights granted to us hereunder or, if you are unavailable for any reason, hereby grant us an irrevocable power of attorney to act on your behalf in this respect.
3. In some cases, AIRCRAFT may not license your music to a client, but instead introduce you to a potential content user ("Referral") so that you can, in your discretion, enter into a license agreement directly with the content user. In such case, AIRCRAFT will receive a fee equal to 25% of all advances and payments by such Referral to you. Your agreement with such Referral will provide for AIRCRAFT to receive its share of payments directly from the Referral.

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4. (a) Your grant of this license to us is for throughout the world for an initial period of two (2) years from the date of this Agreement. The Masters will be uploaded onto hard drives, player devices or burned onto CD/DVDs to enable us to transport to or to be downloaded by our potential clients. The Masters may be featured on our website, and may be included in podcasts or similar downloads, to promote our services or to promote your music, which you agree can be done without compensation to you for this use. If you submit additional music, the term for each additional master recording /composition shall be two (2) years from the date you submit the material and this Agreement will be deemed extended with respect to all such additional material. After the initial two-year term has expired, this Agreement will automatically renew for additional one (1) year periods for each Master, unless either party cancels the Agreement thirty (30) days before the end of the then current periods. Any sublicense entered into during the term by any of the parties we license your music to shall remain in effect for the duration of its term, despite the expiration or termination of this Agreement and AIRCRAFT's rights to collect fees from such use will continue as will its obligation to account and pay you your portion of such fees.

(b) Upon termination of the term of this Agreement, we will have a period of six months to sell off our inventory of CDs and all other hard copies, such as without limitation videos and DVDs, etc. if any, of the Masters.

5. By submitting additional compositions to AIRCRAFT, you agree that they will be treated under these terms without needing to sign another agreement. You are, of course, under no obligation to produce any additional music.

6. If requested, you will provide likenesses, bios, or other materials ("Publicity Material") of yourself and of the people involved in the respective Master, and you grant us and anyone who sublicenses the Masters from us the right to use this Publicity Material in connection with their use of the Masters. You further understand and agree that there might be no credit given at all which is not a breach of any AIRCRAFT obligation, although after notice by you to such effect, AIRCRAFT shall use reasonable efforts to persuade our clients to provide credit that is consistent with industry norms. No failure by a client or other licensee to provide credit will be a breach hereunder.

7. You understand that AIRCRAFT will be licensing master recordings from other sources in addition to yours, which may be either of similar or different material style and character from yours. AIRCRAFT cannot predict or guarantee the types of music that our clients will be interested in sublicensing, and we make no representation or guarantee as to the number of uses of your masters, or the amount of compensation you may receive.

8. (a) AIRCRAFT will use its business judgment to set competitive rates based on the type of use, the frequency and duration of the use, and the size of the market involved. AIRCRAFT has the sole right to collect all fees from clients and other licensees using your Masters. AIRCRAFT shall send you fifty percent (50%) of any fees that we collect related to your music accompanied by statements with respect to such fees, which shall be paid to you four times a year, within thirty (30) days of March 31st, June 30th, September 30th, or December 31st. AIRCRAFT will not be obligated to send a statement for any accounting period in which no fees were collected nor make a payment if the amount involved is less than \$50.

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**(i)** In instances where a licensee licenses several masters (including one or more Masters subject to this Agreement) for one fee, you will receive a pro-rata share of said fee. For example, if AIRCRAFT sublicenses ten (10) Masters to a videogame maker for a set total fee, you shall receive your percentage of ten percent (10%) of the gross received by AIRCRAFT for each of your Masters that are included in that group.

**(b)** If one of our clients or licensees desires an exclusive license or a "buy out" we shall contact you to obtain your approval then negotiate this in good faith for you; that revenue shall be subject to the same fee split contained in this paragraph. If there are any licenses to work on Schedule A that you have previously granted on a non-exclusive basis that would stop us from entering into exclusive licenses or "buy outs" on your behalf, this must be noted on Schedule A next to the title.

**(c)** You agree that the fees that we collect and split with you will be your sole compensation for the rights we sublicense under this Agreement. In other words, you agree that the fees we collect and pay you include all royalties due you and/or any other person or entity including, without limitation, mechanical royalties.

**(d)** AIRCRAFT may license a Master to a client or licensee for limited purposes that involve public performances or video/motion picture uses; for such purposes, AIRCRAFT may re-title the underlying musical composition and the Master in which it is embodied and for all such cases, AIRCRAFT will receive the so-called publisher's share of all royalties or payments and you will receive the entire so-called writer's share. For purposes of illustration and not limitation, a license contemplated by this paragraph may involve synchronizing a Master and the underlying composition for a video use on DVD as well as through broadcast media. AIRCRAFT will register the respective composition with the applicable performing rights society (i.e. ASCAP, BMI, SESAC) with the new title of such composition designating AIRCRAFT as the sole publisher and you as the sole writer or, if "you" consist of two or more writers, then the group as the sole writers. Accordingly, payments from a public performance society will amount to 50% thereof to AIRCRAFT and 50% to you or the group. Similarly, all payments for synchronization rights will be shared equally as will all payments for Master usage. The terms "re-title or re-titling" will refer to the limited uses of a particular Master and the underlying musical composition. You hereby grant AIRCRAFT the right to re-title a Master and composition for such limited purposes and the right to submit to the applicable performing rights society a title registration document for such re-titled composition.

**(e)** Both parties to this Agreement shall have reasonable audit and inspection rights during the term of this agreement, during normal business hours, with ten (10) business days advance written notice, at its own expense, with respect to only those books and records of the other party directly related to the performance of this Agreement, and can bring actions on each other's behalf if monies appear owing.

**(f)** Termination or expiration of this Agreement shall not terminate Artists' warranties or indemnification obligations hereunder, nor shall it terminate AIRCRAFT's obligation to collect monies due, send a statement with payment and to pay artist his/her percentage due hereunder.

**9.** You shall be solely responsible for forwarding any and all Synch Licensing or other fees to any applicable co-master rights holder(s) or co-copyright rights holder(s). If you do not forward this money you agree to indemnify and hold us, and our clients, harmless from these other rights holder(s). This

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means that if you don't pay them, you will defend us in court if they sue us to get the money that you owe them.

**10.** You agree that, during the term of this agreement and for one year after its termination, you will not attempt to contact or solicit any client or licensee that we obtained for your Masters. If you do, you agree to give us fifty percent of the money from any contracts you enter into with those parties in addition to reimbursing us for reasonable attorneys's fees and expenses incurred enforcing our rights.

**11. (a)** You will indemnify us against any claims which are inconsistent with your warranties, representations and agreements in this agreement that are reduced to a final judgment in a court of competent jurisdiction or settled with your prior written consent which will not be unreasonably withheld or delayed. If you fail to consent to a proposed settlement, you shall thereafter directly bear all costs of defense and shall promptly reimburse us for all third party expenses, including reasonable attorneys' fees and costs, incurred up to and including the date as of which you failed to consent to the proposed settlement; if you fail to promptly undertake such future costs and agree to reimburse us for such expenses, then we may settle the claim in our sole discretion and your indemnification shall apply to such settlement (including costs and reasonable attorneys' fees). We may, at your expense, retain counsel of our own choice at any time during the pendency of such claim, action or proceeding.

**(b)** You warrant and represent that you have the right, power and authority to enter into and fully perform this agreement (for all parties involved, if more than just you) and you agree to indemnify and hold us and our clients harmless from any breach, liability or action brought by any party as a result of this Agreement and/or any of your promises, representations and warranties contained in it, including all fees, court payments, and the like. AIRCRAFT shall be entitled to withhold from any amounts payable under this Agreement such amounts as are reasonably related to the potential liability at issue.

**(c)** You warrant and represent that each Master is wholly original, and does not infringe the copyright or any other rights of any third party, or be defamatory of any person, and none of it is subject to any restrictions as to our use. You agree that you shall not include any music on the Schedule that we cannot license; for example, the music you submit cannot contain loops and/or samples you have not obtained licenses to use. If there are samples in your music and you have obtained permission, please attach the license and have all copyright holders sign this agreement.

**(d)** You warrant and represent that you exclusively own or control all rights in and to anything submitted to AIRCRAFT, including but not limited to the masters and underlying musical compositions, such as, by way of example but not by limitation, rights to the performance, copyright rights (including right to copy, record, edit, remix, master, manufacture, promote, perform, distribute and commercially exploit the masters, copyrights and compositions), and synch rights of the music to any visual media, without restrictions, in any media now known or hereafter invented, throughout the Universe.

**12.** For the purpose of manufacturing CDs, you agree that this Agreement is deemed to be master use license for all Master(s) listed on Schedule A and AIRCRAFT may manufacture and sell CDs and all other devices for sound or sound and pictures involving the Masters and license such rights to third parties.

**13.** You agree that any licensor/user may use less than your entire master, and may edit, loop, remix, enhance, or modify the sound recording and therefore the composition embodied in the master, provided that any such change shall not alter the fundamental character of the portion of the master being used,

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and any such change shall not give rise to any ownership rights of claims, including copyright, on the part of the user in or to the resultant sound recording or underlying composition.

**14.** You warrant and represent that: (i) you shall be liable (vis-à-vis AIRCRAFT) for all costs and expenses for recording and producing the Master(s) (including any expenses for studio time, session players, etc.) and AIRCRAFT shall not be required to make any payments of any nature for, or in connection with, the rendition of your services (or those of others working at your direction) or the acquisition, exercise or exploitation of rights by AIRCRAFT or any sub-licensees of the Master(s) hereunder, except as provided herein; (ii) you shall be solely liable for obtaining permission to incorporate any so-called "samples", if any, in any Master(s) delivered hereunder; and (iii) you are an independent contractor for the purposes hereof, and you shall be solely liable for all taxes due on revenues you receive hereunder; AIRCRAFT shall not be responsible for obtaining or remitting any insurance (e.g., workers' compensation), taxes (e.g., federal, state, social security, Medicare), or the like on your behalf.

**15.** This Agreement shall be governed by and interpreted in accordance with the Commonwealth of Massachusetts law. Any litigation will take place in Boston, Massachusetts and you agree to service of process by commercial courier with tracking ability (e.g., UPS). In the event of a breach of this Agreement, your remedies shall be limited to the right, if any, to recover damages in an action at law, and you hereby waive any right to injunctive or equitable relief. The loser of any lawsuit will pay the winner's attorney fees and court costs. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof, and cannot be modified except by an agreement signed by both parties in ink. This Agreement supersedes and replaces any previous document, email, correspondence, conversation or other written or oral understanding relating to the subject matter hereof. You acknowledge that you have read and understand this Agreement and the contents and legal consequences hereof. If required, you agree to promptly execute additional documents to effectuate the purposes and the provisions of this Agreement. This Agreement may be executed in counterparts of via facsimile, each of which, when taken together, shall constitute a single agreement.

You agree that you have read this agreement, understand it, and agree to all the terms contained in it. Therefore, we both agree to abide by the terms and conditions found in this Agreement, by signing it below.

AIRCRAFT Representative Signature:

Artist Signature:

\_\_\_\_\_

\_\_\_\_\_

Artist Name: \_\_\_\_\_

SSN: \_\_\_\_\_

Artist Initials: \_\_\_\_\_ Date: \_\_\_\_\_