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Music and Sound Recording License

This agreement is used to license a musical composition and the sound recording of the musical composition for use in a developer's multimedia product. It is most appropriate for music which is specially created for the developer. If the developer is using pre-existing music, the developer will probably have to use the license of the owner of such rights.

THIS AGREEMENT ("Agreement") entered into as of , 19, by and between Development Company, a corporation with its principal place of business at _____ ("Devco"), and Composer Company, a _____ corporation with its principal place of business at _____ ("Composer").

Recitals

WHEREAS, Composer owns the right to a certain musical composition and the master recording thereof;

WHEREAS, Devco wishes to license rights to that musical composition and the master recording thereof as provided under the terms of this Agreement.

Agreement

NOW, THEREFORE, the parties agree as follows:

1. Definitions. The terms used in this Agreement shall have the following definitions:

Audiovisual Work means the Multimedia title developed by Devco.

Master means the master recording of the Musical Composition embodying the performance of [Composer]. Multimedia means the medium in connection which the Musical Composition and Master will be utilized, which includes, but is not limited to, a software program involving film, photographs, music, or text.

Multimedia Disks means those Multimedia disks containing the Musical Composition and/or the Master, including but not limited to, CD-ROMs, laser disks, and floppy disks for any computing platforms.

Musical Composition means the musical composition entitled _____ written by _____.

2. License Grant. Composer hereby grants to Devco and Devco accepts, a worldwide, non-exclusive license, with the right to sublicense, during the term of this Agreement, to do the following:

(a) reproduce and have reproduced, in digital, computer readable, or other form consistent with the integral requirements of the Multimedia, the Musical Composition for use in whole or in part in connection with the Multimedia Disk;

(b) to synchronize the Master, or a portion thereof, in time-relation with the Audiovisual Work and in any promotions and advertisements of the Audiovisual Work;

(c) to reproduce and have reproduced, distribute copies of, and publicly perform the Multimedia Disks;

(d) to create derivative works of the Musical Composition and Master in order to make arrangements and orchestrations for reproducing the Musical Composition or to promote or advertise the Audiovisual Work; provided, however, Devco does not have the right to alter the fundamental character of the Musical Composition or Master, to print sheet music of the Musical Composition, or to make any other use of the Musical Composition or Master except as expressly authorized under this Agreement;

(e) to publicly perform the Musical Composition and the Master in connection with the Audiovisual Work;

(f) to use or refer to Composer in the credits, and in any promotions, advertisements and publicity in connection with the Audiovisual Work.

3. Payment. In consideration of the license and the rights granted herein, Devco shall pay to Composer the sum of (\$).

4. Term.

(a) This license and grant of rights made herein shall subsist, at a minimum, for the remainder of the term of all copyrights in and to the Musical Composition and the Master, and any and all renewals or extensions thereof that Composer or its successors or assigns may now own or control or hereafter own or control without additional consideration therefor.

(b) Upon the expiration of this license, all rights herein granted shall cease and terminate, and the right to make or authorize any further use or distribution of any recordings made hereunder shall also cease and terminate subject to Devco's right to sell off its inventory of Multimedia Disks for an additional period of two (2) years.

5. No Obligation to Include Musical Composition or Master. Nothing herein shall obligate or require Devco to include the Musical Composition or Master in the Audiovisual Work.

6. Representation and Warranty; Indemnity. Composer represents and warrants that it has the right to

grant this license. Composer shall indemnify and hold harmless Devco, its officers, directors, employees, sublicensees, customers and agents against all claims, actions or demands, alleging that the reproduction, distribution, modification, or public performance of the Musical Composition or the Master libels, defames, infringes the copyright or trademarks, infringes the publicity or privacy rights of any individual, or violates other similar proprietary rights of third parties in any jurisdiction. Composer represents and warrants that Composer has paid any American Federation of Musicians or other union re-use fees to permit Devco to use the Musical Composition in Devco's Audiovisual Works.

7. License Limitations. This license does not include the right to:

- (a)** rent separately the Musical Composition or Master included in the Multimedia Disks or to permit purchasers or others to do so;
- (b)** use the story of the Musical Composition or dramatically depict the Musical Composition;
- (c)** parody the lyrics and/or music of the Musical Composition in any way;
- (d)** make, sell or distribute audio phonorecords of the Musical Composition or Master.

8. Miscellaneous. This Agreement sets forth the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior understandings, if any, whether oral or written pertaining thereto and may only be changed by mutual agreement of authorized representatives of the parties in writing. This Agreement shall bind and inure to the benefit of the parties and their successors and permitted assigns. This Agreement shall be governed in all

respects by the laws of the State of California as applied to agreements entered into and performed entirely within California by California residents.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date indicated above.

DEVCO: _____

DEVELOPMENT COMPANY _____

By: _____

COMPOSER: _____

COMPOSER COMPANY _____

By: _____