

Exclusive Artist's Recording Contract

AGGREEMENT made and entered into as of this ____ day of _____ 2014 by and between Slippery Disco Records Inc., 192 Yarmouth Road, Oneonta, NY 13820, hereby referred to as "Record Company", and Space Carnival, hereby referred to as "Artist."

1) SCOPE

- A) The rights contained in this contract are only valid for sound recordings produced and released after the signed date of this contract.
- B) Any sound recordings produced and released by the Artist before the signing of this contract are not subject to this contract.

2) TERRITORY

- A) The signing of this deal will provide recording and licensing rights, exclusively in US and Canadian territories. Thus, the artist may sign further deals, independent from Record Company in any other foreign countries or territories.
- B) Deals signed outside of the US and Canada are not subject to any terms in this contract, unless otherwise stated.

3) TERM

- A) The INITIAL TERM of this contract will be three years from the signed date of this contract, or after successful delivery of two complete studio albums, whichever comes first. After completion of this term, the Record Company may choose to extend the contract.
- B) Additional Terms
 - 1. OPTION 1- The Record Company may choose to extend the contract for an additional term. The term will bind the Artist to the delivery of two additional full-length studio albums. The Artist has 30 months to successfully deliver both albums.
 - 2. OPTION 2- After completion of the first term extension (3.B.1.), the Artist may agree to sign for one year. In this year, the Artist must deliver at least one: new full length album, studio single release or EP, live concert CD release, **or** music video. Failure to produce or deliver any previously stated items, will result in the termination of this contract.
 - a. Upon Successful completion of this term, the Artist has exclusive right to choose to remain contractually bound to the Record Company on an annual basis. Term Delivery Minimum is negotiable during the annual review for Term Renewal.
 - b. If the Artist does not extend the contract at the end of the contractual year, the Artist will be relieved of any contractual duties to the Record Company.

4) RIGHTS OF CREATIVE CONTROL

- A) The Artist shall reserve the creative control rights to the songs that appear on full-length albums in the Initial Term (3.A), and all single song or EP releases within the first option of term extension (3.B.1).
- B) The Record Company will have creative control of the songs that appear on any full-length albums released within the Additional Term, (3.B.1.).
- C) The Record Company reserves the rights and creative control to any compilation CD releases, Artist demos, and music video releases during the Initial Term (3.A.) and Additional Term (3.B.1.)

- D) The Artist reserves the right to any official releases of Live Recordings, Live Concert CDs, and Concert DVDs, for the entire duration of the contract.
- E) The Artist will reserve the exclusive creative right to the Artist's Name, Image, and Likeness, for the entire duration of this contract.
- F) Creative Control of producers:
 - 1. The Record Company will have the right choose the producer of the first album in the Initial Term, (3.A). The Artist will have creative control of the producer of the second album in the Initial Term, (3.A.).
 - 2. The Record Company will have the creative control of the producer on the first album of the Additional Term (3.B.1.).
 - 3. The Artist will have creative control of the producer on the second album of the Additional Term (3.B.1.).
 - 4. The Artist wall have creative control of the producer of any albums released within the Annual Term(s). (3.B.2.)
- 5) DELIVERY OF ALBUMS:
 - A) In order for an album to be considered "successfully delivered," it must be of Full LP Length. Complete albums do not include: single releases, EPs, compilation CDs, Live Concert releases, television or film soundtracks, or any other form of material that is not new and original to the artist.
 - B)
 - a. The albums must be recorded, mixed, and mastered before being approved by the Record Company.
 - b. The Record Company must approve the album for official release to the public. An album cannot be "successfully delivered" until it is approved by the Record Company and released to the public.
 - C) The sound recording quality must meet industry standards.
 - D) The Artist is hereby obligated to write, record, and release music in the consistent style, theme, or genre that brought them to their current level of success.
 - E) Failure to release any full-length album(s) during the Initial Term (3.A.) or Additional Term (3.B.1) will result in termination of this contract. In this case, upon termination, the Record Company will own all recording and licensing rights to all sound recordings made and/or released by the Artist during the duration of the contract.
- 6) REVERSION OF RIGHTS
 - A) The Record Company reserves all recording and licensing rights for the duration of this contract.
 - B) If the Artist successfully completes the Initial Term (3.A), Additional Term (3.B.1), and at least one year of Annual Term(s), upon expiration of this contract, the sound recording and licensing rights will revert to the ownership of the Artist.
 - C) If the Artist fails to deliver under Initial Term (3.A.) and/or Additional Term (3.B.1), sound recording and licensing rights will be permanently owned by the Record Company.
- 7) ADVANCES
 - A) INITIAL TERM- After the signing of this contract, the Record Company agrees to provide the Artist with a \$1million recoupable, rolling-advance. The Artist will receive the first payment of \$250,000 after the completion of the recording of the first album. The Artist will receive the second payment of \$250,000 after the first album is successfully delivered, and released to the public market. The Artist will

receive the third payment of \$250,000 after the completion of recording of the second album. The Artist will receive the final payment of \$250,000 after the second album is successfully delivered and released to the public market.

B) ADDITIONAL TERM (3.B.1.)- By extending the contract to Additional Term (3.B.1), the Record Company agrees to provide the Artist with a \$2million recoupable advance. The payment of this advance, in its entirety, will be received after the first album of the Additional Term is successfully delivered and released to the public market.

C) ANNUAL TERM (3.B.2.)- Upon extension of the contract into its Annual Term, the Record Company will provide the Artist with a \$250,000 recoupable advance, at the beginning of each contractual year, as long as the Artist continues to agree to the Annual Term.

8) ARTIST ROYALTIES

- A) INITIAL TERM- The Artist will receive 12% per album released Within the Initial Term. Royalties will be paid prospectively, and only after recoupment has occurred.
- B) ADTITIONAL TERM (3.B.1.)- The Artist will receive 15% per album released within the Additional Term. Royalties will be paid prospectively, and only after recoupment has occurred.
- C) ANNUAL TERM (3.B.2.)- The Artist will receive 25% per album released within the Annual Term(s). Royalties will be paid prospectively, and only after recoupment has occurred.
- D) The Artist is hereby responsible for financing the production costs of all Albums, singles, EP releases, and Live Concert CD releases within the entire duration of this contract.

9) MECHANICAL ROYALTIES

- A) Albums released within the Initial Term (3.A.) of the contract will feature Controlled Composition. The Record Company agrees to pay 75% Statutory Rate on a maximum of 8 songs per album.
- B) Albums released within the Additional Term (3.B.1.) and Annual Term(s) (3.B.2.) of this contract will receive Full Statutory Rate, on all songs on each album.

10) RECOUPABLE COSTS- All Advances made to The Artist must be recouped by the Record Company.

- A) The Record Company will recoup all monetary advances by means of the Artist Royalties described in (8.A-C).
- B) The Record Company reserves the right to use any previously released album's Artist Royalty profits, to recoup any outstanding advances owed.
- C) In each Term, The Record Company reserves the right to take 20% of Artist's merchandise sales from that Term only. (For example, The Record Company may not recoup advances from Additional Term (3.B.1) using merchandising profits which may occur within Initial Term (3.A.). After recoupment has occurred, the Artist will receive 100% of merchandising profits that may occur for the remaining duration of that Term.
- D) The Record Company will take 30% of Mechanical Royalties, until recoupment has occurred within any particular term. After recoupment has occurred, the Artist will receive 100% Mechanical Royalties described in (9.A-B.).

***By signing this contract, Record Company hereby agrees to the Artist proposed terms and conditions.**

AGGREEMENT is hereunto made by and in between _____ (Record Company), and _____ (Artist).

