

**EXHIBIT A**

**ANCILLARY RIGHTS AGREEMENT**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dated as of: \_\_\_\_\_, 2009

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear Gentlemen:

Reference is made to the Exclusive Recording Agreement between Artist ("**Artist**") and \_\_\_\_\_ Records ("**Company**"), dated as of \_\_\_\_\_, as same may have been previously amended (collectively, the "**Recording Agreement**"). Any terms used below which not defined below have the same meaning as set forth in the Recording Agreement.

Artist and Company acknowledge that they have agreed to enter into an agreement with respect to Company acquiring an income participation in Artist's entertainment industry related activities, excluding music publishing activities, i.e., Artist's activities as a songwriter or music publisher of Artist's musical compositions or those of others (this "**Agreement**").

NOW THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Artist and Company hereby agree as follows:

1. **Marketing Fund.** Promptly following the complete execution of this Agreement, Company will allocate a fund of up to \$\_\_\_\_\_ to be utilized in connection with various pre-release marketing activities, including tour support, independent publicity, hiring an independent marketing company, etc. in connection with the first Album to be Delivered in fulfillment of Artist's Recording Commitment.
  
2. **Entertainment Activities Revenues.** Artist hereby irrevocably grants and assigns to Company, and Company is entitled to receive, collect and retain for Company's account throughout the Term (as defined below), an amount equal to 10% of Artist's Net Entertainment Activities Receipts, and Artist will pay or cause to be paid that amount to Company as provided in paragraphs 4 and 5 below. As used in this Agreement, the term "Artist's Net Entertainment Activities Receipts" means all gross monies, however characterized and whether received during or after the Term (including residual accountings), paid or payable to Artist, or any entity which furnishes Artist's services or is otherwise partly or wholly controlled by Artist, less costs of collection and commissions paid by Artist to any unrelated third parties and all bona fide, out-of-pocket third party costs or expenses attributable to the applicable Entertainment Activity (as defined below), concerning the Artist's activities in the entertainment industry, including, but not limited to, the following: (a) the use, licensing, exploitation, reproduction, publication, and/or exhibition of Artist's name(s), portraits, pictures and likenesses (including, without limitation, all past, present or future legal, professional, group, and other assumed or fictitious names or trademarks used by the Artist) and the related personality rights, together or separately, for purposes of any commercial endorsements, strategic partnerships, sponsorships, or product, services, or brand tie-ins (collectively, "**Endorsements**"); (b) Artist's services or endeavors as a musician, vocalist or performer in connection with live performances or engagements, including, but not limited to, by public or private stage, television, cable or other broadcast, webcasts, motion pictures, one-nighters, tours, and/or other means, whether undertaken by Artist in support of a commitment album under the Recording Agreement or otherwise (collectively, "**Concerts**") either alone or with one or more other individuals and in connection with a single Concert or a series of Concerts (collectively, "**Touring Services**"); (c) services where Artist is engaged as an actor or as himself or herself to appear or to serve in a creative capacity, such as director, writer or producer, in any dramatic or non-dramatic television series (or one or more episodes thereof), motion pictures, or similar productions (excluding only audio-visual recordings made for Company pursuant to the Recording Agreement) or stage productions, for public audiences and/or for exhibition in any media now known or hereafter devised (but excluding commercials or endorsements of products which would be deemed an Endorsement hereunder) (collectively, "**Acting Services**"); notwithstanding the foregoing, Artist shall neither render such services nor

accept any engagement that would require Artist to render such services in a manner that would or might interfere with Artist's fulfillment of Artist's other obligations under the Recording Agreement; (d) all literary endeavors by Artist including without limitation, books, magazines and screenplays; (e) personal appearances outside of Artist's Touring Services, including, without limitation, one-off concert or night club appearances, and speaking engagements; (f) the exploitation in any medium of the name(s) likeness(es), visual representations, biographical material and/or logo(s) of or relating to Artist (all of the intellectual properties relating to Artist referred to above are sometimes referred to herein collectively and individually as "**Artist Properties**"), any Artwork, and/or Album Artwork, either alone or in conjunction with other elements, including, without limitation, such exploitation on merchandise of any kind, including merchandise for sale at the site(s) of any and all live concert engagements performed by Artist, premiums such as products which bear a third party's trademarks or logos together with Artist Properties, tie-ins, "bounceback" merchandising, fan club merchandise, etc. whether or not in connection with Master Recordings; (g) any other use or exploitation using Artist's name, photograph, voice, sound effects, likeness, caricature, talent or materials in any entertainment industry activities which are not specifically noted herein, including, but not limited to, video games, cartoons and other animations (collectively, "**Entertainment Activities**" and each, an "**Entertainment Activity**"). For the avoidance of doubt, in calculating Artist's Net Entertainment Activities Receipts in connection with Artist's Touring Services, Artist's Net Entertainment Activities Receipts shall include all gross monies, however characterized, and including all ticket sales, revenue and performance fees, paid or payable to Artist or any entity furnishing Artist's Touring Services, less only costs of collection and commissions paid by Artist to any unrelated third parties and all bona fide, out-of-pocket costs and expenses paid to third parties which are directly attributable to the production, staging, promotion and marketing of the applicable Concert, such as sound and lights expenses and crew payments, but specifically excluding salaries, per diems and other payments made to or on behalf of Artist. For purposes of computing Artist's Net Entertainment Activities Receipts in connection with Artist's Acting Services, all sums received by or credited to Artist (or any affiliate) and the economic value of all other non-cash consideration received, shall be included, whether received before or after the Term (including residual accountings), so long as the agreement relating to the Artist's Acting Services was entered into during the Term or was in negotiation prior to the expiration or termination of the Term.

3. **Concert Recordings.** Without limitation of any rights that Company may have under the Recording Agreement, Artist agrees and acknowledges that Company has the right to record, film and/or tape, in whole or in part and otherwise as Company elects, any Concerts by means of public stage performances of all kinds, web-casts, sponsorships, television broadcast or cable casts (including pay-per-view telecasts), motion pictures, one-nighters, concert tours, and the like alone or in conjunction with others (including, without limitation, backstage and rehearsal footage). All such recordings, filmed footage and/or tapings will be deemed Covered Videos under the Recording Agreement.

4. **Payments.** Artist will irrevocably direct in writing all third parties to pay to Company its share of Artist's Net Entertainment Activities Receipts at the same times that such third parties account to or pay Artist (or any entity which furnishes Artist's services or is otherwise partly or wholly controlled by Artist) and on terms no less favorable in accordance with a letter of direction approved by Company. The letter of direction attached as Schedule A is hereby approved. Artist will promptly provide to Company a copy of each third party agreement under which Artist's Net Entertainment Activities Receipts will be payable. If any such third party fails or refuses for any reason to directly pay to Company its shares of Artist's Net Entertainment Activities Receipts, then Artist (or any entity which furnishes Artist's services or is otherwise partly or wholly controlled by Artist) will account for and pay to Company such share within 30 days after Artist (or any entity which furnishes Artist's services or is otherwise partly or wholly controlled by Artist) is accounted to or paid by the applicable third party. Company has the right, at its expense, to appoint a certified public accountant or auditor to audit Artist's books and records (or any entity furnishing Artist's services or otherwise partly or wholly controlled by Artist) once per calendar year for up to 3 years after the date of expiration or termination of Term of this Agreement concerning Artist's Net Entertainment Activities Receipts and Artist's accountings or payments to Company hereunder during normal business hours upon reasonable written notice to Artist, and Artist will maintain complete and accurate books and records in connection therewith that Artist will make available to Company in such event. If any such audit reveals an underpayment to Company exceeding 10%, then Artist will reimburse Company for its costs of such audit (in addition to paying the underpaid amount).

5. **Term.** As used in this agreement, the word "**Term**" means the period commencing on the date hereof and continuing until the date of expiration or termination of the last Participation Period (as defined below) hereunder. Notwithstanding the foregoing:

(a) Company shall have the right to receive its share of Artist's Net Entertainment Activities Receipts derived from any Entertainment Activity opportunity which arises within 12 months after the end of the Term; and

(b) Company shall have the right to receive its share of receipts from Touring Services for the duration of each tour in support of a Commitment Album until its completion, notwithstanding the earlier termination or expiration of the term of the Agreement or the Participation Period. Furthermore, Merchandising Uses in connection with Album Artwork shall be perpetual.

(c) The Term shall be divided into participation periods (each, a "**Participation Period**"), the first of which shall commence on the date hereof and continue until either: (i) the date which is 12 months following Company's United States retail street date for the second Commitment Album Delivered by Artist in connection with Artist's then current Recording Commitment, provided that Company has exercised its option under the Recording Agreement to engage the Artist's services for the next Commitment Album, or (ii) if Company does not exercise its option(s) for additional Contract Periods as provided in the Recording Agreement, subject to sub-paragraphs 5(a) and (b) above, the expiration or termination of the term of the Recording Agreement (the "**First Participation Period**"). For subsequent Participation Periods, the Term shall commence as of the date on which the prior Participation Ends and continuing until either: (A) the date which is 12 months following Company's initial United States retail street date for the last Master Recording Delivered by Artist in connection with the then current Commitment Album, provided that Company has exercised its option under the Recording Agreement to engage the Artist's services for the next Commitment Album, (e.g. the Second Participation Period shall continue for 12 months following the initial United States release of the third Commitment Album) on the same terms and conditions set forth hereunder or (B) if Company does not exercise its option to call for additional Contract Periods as provided for in the Recording Agreement, subject to sub-paragraphs 6(a) and (b) above, the expiration or termination of the term of the Recording Agreement. Artist hereby grants to Company 4 separate, consecutive and irrevocable options for additional Participation Periods. Each of such options shall be exercised by Company, if at all, by notice to Artist not later than the expiration date of the Participation Period which is then in effect (the "**current Participation Period**"). Each Participation Period for which Company exercises its option will begin immediately after the end of the current Participation Period (or, if Company so advises Artist in its exercise notice, such Participation Period will begin on the date of such exercise notice). Notwithstanding anything to the contrary contained herein, if Company does not, prior to the expiration date of the current Participation Period, exercise its option for the next applicable Participation Period, the term of the current Participation Period shall, subject to the following provisions hereof, continue unless Company notifies Artist to the contrary. However, Artist shall at any time after the expiration date of the current Participation Period, have the right to send Company written notice (a "**Termination Request**") of Artist's desire that the current Participation Period and the Term of this Agreement shall terminate unless Company shall, within 10 days after its receipt of such Termination Request (the "**10-day Period**"), exercise its option for the next applicable Participation Period. If Company does not, prior to the end of such 10-day Period, exercise its option for the next applicable Participation Period, the current Participation Period and the Term of this Agreement shall expire as of the eleventh (11th) day after Company's receipt of Artist's Termination Request. If Company shall, prior to the expiration of the current Participation Period (or such 10-day Period, as applicable) exercise its option for the next applicable Participation Period, then the next Participation Period shall commence and the current Participation Period shall expire, both upon the later of (i) the expiration date of the current Participation Period, or (ii) the date of Company's such notice to Artist exercising its option for the next applicable Participation Period. For the Avoidance of doubt, if Company has not exercised any option for an additional Contract Period under the Recording Agreement, Company will not be able to exercise any option for an additional Participation Period hereunder.

6. **Advances.** In connection with the rights granted to Company hereunder, following the commencement of each Participation Period, if any, other than the First Participation Period, Company will pay Artist an Advance, which shall be fully recoupable from any monies payable to Artist under the Recording Agreement, in the amount equal to two-thirds of the lesser of (a) the monies actually received by Company hereunder in the prior Participation Period, or the average of the monies actually received by Company hereunder in the prior two (2) Participation Periods; provided that no such Advance payment will be more than the applicable maximum or less than the applicable minimum amount prescribed below:

	Minimum	Maximum
Second Participation Period:	\$	\$
Third Participation Period:	\$	\$
Fourth Participation Period:	\$	\$
Fifth Participation Period:	\$	\$

7. **Representations and Warranties.**

(a) Artist represent and warrant that: (i) Artist have, and shall have throughout the Term, the full legal right and power to enter into and fully perform this agreement, and to make the commitments made and grant the rights granted herein; (ii) the terms of this agreement do not conflict with any other agreement to which Artist are bound or obligated; and (iii) Artist have in no way conveyed or hypothecated to any other party any of the rights granted to Company hereunder.

(b) Company represents and warrants that it has the right and power to enter into and fully perform this agreement and to make the commitments it makes herein.

8. **Indemnity.**

(a) Artist will at all times indemnify and hold harmless Company and its licensees (collectively, the "**Indemnitee**") from and against any and all third party claims, damages, liabilities, costs and expenses, including legal expenses and reasonable counsel fees, arising out of any breach or alleged breach of any warranty, representation or agreement made by Artist in this Agreement or any other act or omission by Artist, provided the claim concerned has been settled (subject to the provisions of subparagraph 8(b) below) or has resulted in a final judgment against any Indemnitee. Company will notify Artist of any action commenced on such a claim. Artist may participate in the defense of any such claim through counsel of Artist's selection at Artist's own expense, but Company will have the right at all times, in its sole discretion, to retain or resume control of the conduct of the defense. If any claim involving such subject matter has not been resolved, or has been resolved by a judgment or other disposition which is not adverse to any Indemnitee, Artist will reimburse Company for 50% of the expenses actually incurred by Indemnitee in connection with that claim. Pending the resolution of any such claim, Company will have the right to withhold monies which would otherwise be payable to Artist under this Agreement or the Recording Agreement, in an amount not exceeding Artist's potential liability to Company under this paragraph; provided, however, Company will not withhold monies which otherwise would be payable to Artist under the Recording Agreement if Artist make satisfactory bonding arrangements in accordance with subparagraph 8(b) below.

(b) If Company pays more than \$10,000 in settlement of any claim described in subparagraph 8(a) above, Artist will not be obligated to reimburse Company for the excess unless Artist has consented to the settlement, except as provided in the next sentence. If Artist does not consent to any settlement proposed by Company for an amount exceeding \$10,000, Artist will nevertheless be required to reimburse Company for the full amount paid unless Artist make bonding arrangements, satisfactory to Company in its reasonable discretion, to assure Company of reimbursement for all damages, liabilities, costs and expenses (including legal expenses and reasonable counsel fees) which the Indemnitee may incur as a result of that claim. If no action or other proceeding for recovery on such a claim has been commenced within one year after its assertion, Company will not continue to withhold monies in connection with it under this paragraph 8.

9. **General**

(a) For the avoidance of doubt, nothing contained in this Agreement, including but not limited to the expiration or earlier termination of the Term, shall amend the terms of the Recording Agreement or affect the obligations or rights of the parties thereto.

(b) The parties hereto agree that this Agreement is a separate and independent agreement from the Recording Agreement. Notwithstanding the foregoing, capitalized terms used and not otherwise defined herein have the meanings given to them in the Recording Agreement.

(c) Artist and Company each acknowledge that Company's rights under this Agreement do not include the right or obligation to procure employment for Artist. Nothing contained in this Agreement shall constitute the management of Artist by Company and Company shall have no obligation to advise Artist or guide Artist as to the advisability of exploiting any Entertainment Activities or to locate any opportunity to exploit Entertainment Activities. Company will not render services typically rendered by a so-called "personal manager" and shall not perform services or be deemed to have acted as an agent for Artist, as the term "agent" is defined pursuant to California Labor Code §§ 1700 and 1701, and otherwise under applicable state and federal laws. Artist acknowledges that Company has advised Artist to retain the services of an independent personal manager to advise Artist generally in relation to Artist's career and Artist's activities in the music and entertainment industries.

(d) This Agreement may be executed in counterparts, each of which shall be deemed an original agreement for all purposes, including the judicial proof of any of the terms hereof, provided, however that all such counterparts shall constitute one and the same agreement.

(e) This Agreement has been entered into in the State of California, and the validity, interpretation and legal effect of this Agreement shall be governed by the laws of the State of California applicable to contracts entered into and performed entirely within the State of California, with respect to the determination of any claim, dispute or disagreement, which may arise out of the interpretation, performance, or breach of this Agreement.

If this accurately reflects your understanding, please sign in the space provided below.

Sincerely,

\_\_\_\_\_ Records

By: \_\_\_\_\_

ARTIST

\_\_\_\_\_

**Schedule A**  
**Letter of Direction**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dated as of \_\_\_\_\_, 2009

Gentlepersons:

1. Artist and the undersigned are parties to a written agreement dated \_\_\_\_\_, 200\_ with respect to the services of the undersigned (the "**Agreement**").

2. The undersigned hereby requests and authorizes that Artist pay to \_\_\_\_\_Records, or its designee, an amount equal to 10% of the gross amount of each fixed and contingent payment, advance, royalty, amount or sum otherwise payable to the undersigned that relates to or arises out of the Agreement, effective as of the inception of the Agreement and continuing throughout the Term of the Agreement (as that term is defined therein).

3. Such aforesaid payment to Company Records, or its designee, shall become payable by Artist solely in accordance with this authorization at the same time as monies are paid through to the undersigned pursuant to the Agreement.

4. Your compliance with this authorization will constitute an accommodation to the undersigned alone; Company Records, or its designee, are not beneficiaries of it. All payments to Company, or its designee, under this authorization will constitute payment to the undersigned and Artist will have no liability whatsoever by reason of any erroneous payment or failure to comply with this authorization.

5. All monies becoming payable under this authorization will be remitted to Company Records, or its designee, at the following address or otherwise as Company Records, or its designee, directs Artist in writing and will be accompanied by statements with respect to those payments:

\_\_\_\_\_ Records,  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: CFO \_\_\_\_\_ Records

Very truly yours,

ACCEPTED AND AGREED TO:

\_\_\_\_\_

By: \_\_\_\_\_  
An Authorized Signatory