

IMPORTANT-READ CAREFULLY: This license agreement ("Agreement") is a legal agreement between you (either an individual or an entity) (the "Buyer") and **SESSION MASTERS, LLC**, a Tennessee limited liability company, whose address is c/o 335 Records. Inc., Post Office Box 292967, Nashville, Tennessee 37229, (the "Company") relating to your purchase of one (1) limited edition record album (the "Album") of all original musical compositions composed by Larry Carlton ("Carlton"), which includes a digital recording hard drive and related peripheral materials ("Materials"). BY PURCHASING THE ALBUM, YOU, AS THE BUYER HEREIN, AGREE TO BE BOUND BY THE FOLLOWING TERMS AND CONDITIONS OF THIS AGREEMENT:

1. Rights of the Buyer. The Buyer has the following rights with respect to the musical tracks which comprise said Album:

A. Buyer has the right to re-record the Album (such re-recorded album hereinafter referred to as the "Buyer's Album") to play along with the existing recorded tracks previously recorded by Carlton and other studio musicians ("Larry"), and to record the additional "play-along" tracks with Larry, subject to the restrictions set forth below.

B. In addition to "re-recording" tracks with Larry on the original Album, Buyer shall have the right to commercially release and/or sell Buyer's re-recorded tracks on the Buyer's Album as the Buyer's own work, including giving credit to Carlton and other studio musicians as Buyer's own work, provided that Buyer changes the original Album by a minimum factor of at least 25% as defined below. Buyer shall not have the right to commercially release and/or sell the Buyer's Album with less than 25% changes as defined below. Buyer's failure to make at least a 25% change in the original Album as described above shall be copyright infringement under this Agreement, and Buyer will be required to return all Materials in total. In such event, Buyer hereby acknowledges such infringement and agrees to pay a penalty of not less than \$100,000.00 per song infringed.

C. Buyer is hereby authorized and obligated to use Carlton's name in connection with the Buyer's Album featuring Buyer's name as the featured artist. The credit shall read "[Artist's Name] featuring Larry Carlton". The recording engineer's name, Csaba Petocz, the interactive video software developer's name, Brad Wendkos, and business consultant, Robert Williams will be provided in the credits for Buyer's Album.

D. Buyer agrees to register Buyer's re-recording of the Buyer's Album with Company through Company's website.

E. Buyer shall have the right to access Company's website which shall provide referrals to Buyer in locating manufacturing companies, entertainment attorneys, and radio promotion personnel to promote the sale of Buyer's Album at Buyer's discretion. Notwithstanding the foregoing, however, all transactions between Buyer and third parties shall be as conducted by Buyer and such third party, and Company shall have no liability for such transactions.

F. Buyer shall have no additional obligation to Larry. Buyer shall have the right to add vocal and/or instrumental tracks performed by Buyer or others for Buyer's Album. Buyer shall be solely responsible for compensating any musicians and/or vocalists that Buyer engages hereunder.

G. Buyer shall have the right to exploit Buyer's Album, and retain all proceeds from exploitation of Buyer's Album except for music publishing royalties owed to Company's music publishing company, Session Masters LLC d/b/a Session Masters Publishing (BMI) as administered by Music For the Future/EMI-Blackwood Music based on a mechanical license for each musical composition (song) embodied on the Buyer's Album at no less than the then current, full statutory mechanical royalty rate which is currently \$0.091 per composition recorded and manufactured and any and all synchronization licenses shall be divided between the Buyer

and Company in proportion to the percentage contribution by the Buyer, but must be licensed by and collected by Session Masters LLC d/b/a Session Masters Publishing (BMI) as administered by Music For the Future/EMI-Blackwood Music. Buyer shall be responsible for obtaining any mechanical licenses relating to any compositions embodied in the original Album and/or Buyer's Album.

H. Buyer does not acquire any right(s) to reproduce the original Album and exploit the same.

I. The term "changed by a factor of 25% shall mean that the Buyer has added additional musicians, replaced the original musician's tracks, added additional musical instruments, added vocals, and/or other musical elements that change the Album from the Album's original form by at least a factor of 25%. For purposes of example, if the Buyer adds two additional musicians who substantially record on the open tracks with the original four musicians, such addition shall constitute a permissible 25% change in the Album. If the Buyer takes two musical tracks of the original four musicians off of the Album and adds tracks substantially recorded by two different musicians that the Buyer engaged, such change shall constitute a permissible 25% change in the Album.

J. Buyer may apply in writing to Company for permission to sample Materials on the original Album by contacting Company through Company's website with all pertinent details regarding such sampling. Permission for sampling will be granted or refused in Company's sole discretion.

2. Rights of the Company. Company retains all right, title and interest in and to the sound recording copyright in and to the original Album, and Session Masters LLC d/b/a Session Masters Publishing (BMI) as administered by Music For the Future/EMI-Blackwood Music retains all right, title and interest in and to the musical compositions (songs) written and recorded by Carlton on the original Album. Nothing herein shall be deemed to be a transfer of the sound recording copyright in and to the original Album, or the transfer of the ownership in and to the musical compositions created by Carlton and recorded on the original Album.

3. Acknowledgement by Buyer. Buyer hereby acknowledges that Buyer has only purchased a material copy of the Album, and Buyer has no other rights, except as expressly granted herein.

4. Warranties by Buyer. Buyer agrees that the terms and conditions described in this Agreement are reasonable and fair, and Buyer hereby covenants and warrants that Buyer will not violate the terms and conditions of this Agreement. Buyer shall hold Company, Carlton and Larry harmless from any and all liability to any third party for breach of any warranty or representation herein by Buyer. Buyer agrees that Buyer shall be solely responsible for any additional elements that Buyer adds to the Buyer's Album including any infringement of any third party rights.

5. Transfer of Album to Third Party. Buyer shall have the option to transfer the original Album to a third party, subject to obtaining the written permission of Company, registering the transfer and the payment of a Five Hundred US Dollars (\$500.00 US) transfer fee to Company. Upon proper notification to Company and payment of the transfer fee, Company shall record the transferee's name and contact information and make all of the same rights in and to the Album as Buyer originally had. In order for such transfer to be valid, however, the transferee must agree to abide by the terms and conditions of this Agreement and to sign said Agreement on a form to be provided by Company to such transferee.

6. Miscellaneous.

A. This Agreement embodies all the representations, terms and conditions of the parties' agreement, and there is no other collateral agreement, oral or written, between the parties in any manner relating to the subject matter hereof.

B. All references herein to the singular may also be deemed to include the plural and vice versa, and any references to one gender may be deemed to include other genders as the context requires.

C. No alteration, amendment or modification hereof shall be binding unless set forth in a writing signed and/or agreed in writing by all of the parties hereto. No waiver of any breach of this Agreement shall be construed as a continuing waiver or consent to any subsequent breach hereof.

D. This Agreement and all amendments or modifications hereof shall be governed by and interpreted in accordance with the laws of the State of Tennessee applicable to contracts executed and to be fully performed in said state. The invalidity of any clause, part or provision of this Agreement shall be restrictive in effect to said clause, part or provision, and shall not be deemed to affect the validity of the entire Agreement.

E. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

F. The headings contained herein are purely for the convenience of the parties and have no other meaning or effect.

G. In the event of litigation, the prevailing party shall be entitled to recover any and all reasonable costs including reasonable attorneys' fees incurred in the enforcement of the terms of this Agreement, or any breach thereof.

H. Nothing in this Agreement shall be construed as requiring the commission of any act contrary to law or contrary to any regulation of any applicable union or guild. Wherever there is any conflict between the provisions of this Agreement, and any present or future statute, law, ordinance or regulation, or rule or regulation of any applicable union or guild, the latter shall prevail but in such event, the provision of this Agreement shall be curtailed or limited to the extent necessary to bring it within the requirements of said law or regulation.
