

PURCHASE AGREEMENT

This purchase agreement is dated as of the date of its full execution and is between _____ (“**Seller**”) whose address is _____ and _____ (“**Purchaser**”) whose address is _____.

The parties agree as follows:

1. Assignment.

1.1. Effective _____ (“**Effective Date**”) and in consideration of the sum of U.S. \$_____, Seller hereby irrevocably assigns to Purchaser ___% of Seller's right, title, and interest (*IF A SECONDARY SALE: which equals ___% of the originating seller's interest*), along with a security interest, in the _____ share of _____ royalties attributable to the related Works (“**Assigned Royalties**”). “**Works**” are the _____ listed in Attachment A.

1.2 (*IF A SECONDARY SALE: This assignment includes the assignment of Seller's rights under the purchase agreement for the Assigned Royalties between Seller (or Seller's predecessor in interest, if applicable) and the originating seller effective _____, attached as Attachment B.*)

1.2. This assignment includes the right to receive all payments from any source with respect to the Assigned Royalties that have not been received by Seller on or before the Effective Date, and a ___% share of all existing or potential causes of action including, without limitation, those for infringement, underpayment, or non-payment of the Assigned Royalties. The assignment includes a security interest in the Assigned Royalties but is not an assignment of ownership or control of the copyright in the Works. This assignment is subject to the terms of Seller's agreement with Seller's Distributor, including, if applicable, a right to match the terms of this assignment, and the Distributor's rules and regulations.

1.3. Seller shall direct its current royalty distributor, _____, and any other paying entity (“**Distributor**”), to pay the Assigned Royalties directly to Purchaser or Purchaser's administrator. Seller shall promptly execute any document required by any Distributor necessary to assign the Assigned Royalties.

2. Seller's Obligations and Statements of Fact.

2.1. Seller is the sole owner of its interest in the Assigned Royalties and has full authority to enter this agreement and perform its obligations. The Assigned Royalties are free and clear from all encumbrances and to Seller's knowledge the performance of its obligations does not infringe the rights of any third party. No person holds a power of attorney on Seller's behalf affecting the assigned interest.

2.2. Seller has not and shall not do anything that would impair Purchaser's right to receive the Assigned Royalties, including but not limited to terminating Seller's entitlement to receive accountings and corresponding payments from the Distributor or taking an advance. Promptly after the Effective Date, Seller shall execute letters of direction to each Distributor and any other documents reasonably required to notify the Distributor (or any successors or assigns) that the Assigned Royalties shall be paid to Purchaser or Purchaser's administrator.

2.3. No one has or may validly claim a reversionary interest in any of the Assigned Royalties prior to the expiration of the copyrights and to Seller's knowledge no valid adverse claim exists with respect to the Assigned Royalties or any other rights assigned by Seller. Seller is not bound by any action or agreement that would prevent it from performing its obligations and to Seller's knowledge no third party has any actual or potential claim against Seller or the Assigned Royalties that would in any way impair the rights being assigned to Purchaser.

2.4. To Seller's knowledge, all material conditions to the assignment have been or shall be upon the Effective Date satisfied including, without limitation, the obtaining of any approval, the giving of any notice, the making of any filing, and the satisfying of any payments or claims of any third party.

2.5. All taxes accrued or owing through the Effective Date related to the Assigned Royalties, including without limitation any sales or transfer taxes resulting from the transaction, if any, have been or will be paid by Seller.

2.6. If Seller ever intends to re-register, remove, move, re-direct or disassociate any of the Works from Seller's Distributor or any other entity that pays the Assigned Royalties as of the Effective Date, Seller shall send written notification to Purchaser or Purchaser's administrator 60 days prior to any change. Notice shall include the titles of all of the Works that are the subject matter of the change and the particular change to be made. Seller shall cooperate with Purchaser or Purchaser's administrator and take whatever actions are necessary so that the Assigned Royalties will continue to be paid to Purchaser uninterrupted. Any royalties collected by Seller after such a change that should have been paid to Purchaser per this agreement shall be paid directly to the Purchaser by the Seller no later than 15 days after Seller's receipt. Any delay in payment of royalties under this section will be subject to payment of interest to Purchaser at a rate of 2% per month.

2.7. Seller has not and will not enter into any agreement with respect to the Works or the Assigned Royalties that would conflict with the terms of this agreement. Seller has not settled any claim nor waived any right and will not settle any claim or waive any right concerning any of the Assigned Royalties or the Works that would conflict with the terms of this agreement.

2.8. Seller states that the information and earnings history related to the Assigned Royalties presented in the marketplace listing for the Assigned Royalties is accurate.

3. Purchaser's Statement of Fact and Acknowledgment. Purchaser states that it has the full authority to enter and perform its obligations under this agreement. Purchaser acknowledges that Purchaser may not receive payment from the Distributor or other paying entity until after the first accounting period following the Effective Date and may need to rely on Section 4 for any post-Effective Date payments sent to Seller.

4. Payments or Debits After Assignment. All of the Assigned Royalties paid after the Effective Date, regardless of when earned or when the performances from which such royalties derive occurred, are the sole property of Purchaser. If after the Effective Date any such sums are received by or on behalf of Seller, or if Seller's Distributor account is debited to recoup an advance, cost, or other encumbrance incurred by Seller and such debit has the effect of reducing the royalty payments otherwise due to Purchaser, Seller shall immediately transmit or cause the recipient to transmit to Purchaser the amount of the sums received or debited. All such sums not transmitted within 15 days after receipt or debit shall accrue interest at the rate of 2% per month.

- 5. Additional Documents and Power of Attorney.** Upon execution of this agreement and upon any change in the paying entity for the Assigned Royalties, Seller shall promptly, at Purchaser's request, execute all documents necessary to allow Purchaser to receive the Assigned Royalties ("**Assignment Documents**"). If Purchaser requests Seller to execute an Assignment Document and Seller fails to execute the document within 14 days after the request, Seller appoints Purchaser, as Seller's true and lawful attorney, to execute all Assignment Documents in Seller's name. Purchaser shall deliver to Seller copies of all Assignment Documents executed by Purchaser in the exercise of the power of attorney. The power of attorney granted to Purchaser is limited and specific to Assignment Documents.
- 6. Indemnity.** Seller shall indemnify Purchaser and Purchaser's administrator against all losses and liabilities, including reasonable attorneys' fees, related to any inaccurate statement of fact made by Seller or any alleged breach of or failure by Seller to perform any of Seller's obligations under this agreement. Purchaser or Purchaser's administrator shall notify Seller of any claim presented to Purchaser or Purchaser's administrator by a third party and Seller shall have the right to participate in the defense of any such claim with counsel of Seller's choosing at Seller's sole cost and expense.
- 7. Notices.** Any notice required by this agreement shall be in writing and sent to the address in the introductory clause, or to the email address in this agreement's electronic signature verification page (if any), unless the party has given a new address to the other party.
- 8. Entirety and Amendment.** This agreement constitutes the entire understanding of the parties and no amendment will be valid unless it is in writing and signed by both parties.
- 9. Attorneys' Fees.** If any proceeding is brought for the enforcement of this agreement, or because of a dispute in connection with any of its provisions, the prevailing party is entitled to recover reasonable outside attorneys' fees and other costs incurred in the proceeding, in addition to any other relief to which it may be entitled.
- 10. Binding Upon Successors.** This agreement is binding upon and inures to the benefit of the successors, assigns, heirs, executors, and legal representatives of the parties.
- 11. Expenses.** The parties shall pay all of their own costs and expenses (including legal fees) in performing due diligence and in negotiating and performing their obligations under this agreement.
- 12. Confidentiality.** Except as otherwise required by law, the parties shall not, without the other party's written consent, disclose to any third party any confidential information supplied by the other party in connection with this agreement, except that such confidential information may be disclosed to either party's counsel, accountants and other professionals on a need-to-know basis related to this agreement.
- 13. Representation by Legal Counsel.** The parties acknowledge that they have had the opportunity to retain legal counsel with respect to this agreement and any choice by either party not to be represented is made independently.

Each party is signing this agreement on the date verified by its electronic signature certificate.

By: _____
SELLER

By: _____
PURCHASER

Attachment A

The Works