

The Sheep Fiends Foundation

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Introduction

The focus of Sheep Fiends has always been music for its own sake, for the simple enjoyments of making music. The Sheep Fiends has a long tradition of creating improvisational and experimental music with a free and uninhibited format.

Although The Sheep Fiends is not actively seeking financial reward, the group is unique and innovative, and could attract attention at some point in the future. By proactively setting up a fair arrangement for copyright ownership, the group will avoid potential complications should such a situation arise. Furthermore, consolidating copyright ownership allows The Sheep Fiends to set up innovative licensing schemes that will allow The Sheep Fiends to release material under a free for non-commercial use the Creative Commons license.

Over 100 musicians have enjoyed participating with The Sheep Fiends and a large body of recorded material has been archived. This large body of material is already difficult to manage and will become increasingly so without an establishing a fair arrangement.

Purpose

The main function of the Foundation will be to act as a central repository for copyright ownership and management for musicians, primarily The Sheep Fiends. This management will be handled in a way that supports and encourages the freedoms that have made The Sheep Fiends successful. Other groups of musicians (including separate bands) can also join the Foundation if the current Foundation members agree by majority vote.

The Foundation will have the freedom to license its copyrights and the responsibility to fairly allocate any profits generated from licensing those copyrights. The Foundation will be run democratically, so that the Foundation can evolve over time to meet changing needs. Any change that affects the distribution of profits, involves the sale or transfer of any copyright, or involves changing the nature of a copyright license must be approved by a majority vote. In the event that there are multiple bands in the foundation, each band will vote separately on licensing issues.

Entering/Exiting

A person joins the Foundation by giving the copyright ownership of one or more songs to the Foundation. By having both the President of The Sheep Fiends foundation and the contributing artist sign this agreement, the contributing artist agrees that the copyright for all material recorded with The Sheep Fiends is owned by the Foundation. Only the arrangement of songs that were previously released by other bands (e.g. cover songs) will be owned by The Foundation. Specific songs may also be listed as being exempt by listing them as such in this agreement.

A person can exit the Foundation by selling their share back to the Foundation. The value of each person's share will be proportional to the revenue generated by the copyrights that person contributed to the Foundation. The individual agrees

that payment will happen no later than 1 year after they have announced their desire to exit, giving the Foundation time to collect revenue.

Additional band(s) may join the Foundation, if the existing Foundation members agree by majority vote. Each band can amend their relationship with the Foundation to meet their particular needs. Examples would include if a band wishes to have a different mechanism for distributing profits, or to change how the band's material is licensed. If an amendment only affects a specific band, then a majority vote among those band members is needed to approve it. Otherwise, all Foundation members must approve the amendment by majority vote.

Use

The terms of the arrangement with the Foundation will be non-exclusive, so Foundation members can freely make copyright arrangements with other organizations as long as the arrangements do not affect the copyrights owned by the Foundation.

By default all Foundation participants/composers of a particular song will be able to freely use that song for any purpose and no fees will need to be paid to the Foundation for such use. However, profits made from a song owned by the Foundation must be distributed in accordance with the rules of the Foundation. The individual signing agrees to notify the Foundation President in the event that profits are being made and to make arrangements to distribute funds as described.

By default, Foundation material will be licensed with the Attribution-NonCommercial-ShareAlike 2.0 Creative Commons License. This license allows people to copy, distribute, display and perform the work for non-commercial purposes, and allows people to make derivative works if released under the same license. Refer to <http://creativecommons.org/licenses/by-nc-sa/2.0/>.

Profits

If a specific mechanism for a particular song has been defined, then that method will be used. Otherwise, the following will be used. In the event that a given recording becomes profitable, then profits will be evenly divided among all participants who contributed to the recording. If the composition of a song becomes profitable (such as sheet music), then the profits will be evenly divided among the composers of the song. The composers of a song that is an improvised creation will be all participants involved with the song's initial recording. The profits from a release that includes multiple recordings/compositions will be divided evenly to each recording/composition as described above. For example, if a CD has 12 songs then profits will be divided 1/12 to each song. Each 1/12 will be divided evenly among the participants included in that song.

Note that the profits that are fairly divided among the participants and composers may be less than the profits received by the Foundation. Any such arrangement that causes revenue to be diverted must be approved by majority vote by each band affected by the arrangement. Examples would include situations where money is required in order for the Foundation to function, and incentive programs. Obviously if any such programs are created, they may require additional involvement by some Foundation members.

Initially, the following incentive program will be the only situation that would cause money to be diverted in this way. Any Foundation member who creates a revenue stream for the Foundation will be given a finder's fee. This fee will be equal to 10% of the profits created. A finder's fee would not be awarded in situations where the Foundation is solicited directly. The individual signing

agrees to notify the Foundation President when revenue streams are created and to coordinate distributing profits as described.

If significant amount of revenue is generated in a given year (at least \$500), each Foundation member will receive a financial report at the end of the year with full disclosure of how revenue has been received and how profits have been allocated.

Voting

Voting will only be necessary when a majority of Foundation members wish to amend this agreement. If a person wishes to initiate a vote, they must contact the Foundation President who will contact all Foundation members and collect votes within a 3 month timeframe.

Mediation

The Foundation will ensure that all conflicts between members are handled quickly and fairly. All members of the Foundation agree that in the event of any disagreement which cannot be otherwise resolved, that a professional and independent third-party mediation service will be used to resolve the conflict. The decision of the mediation service would be considered final and legally binding. This insures that no conflict creates a significant disturbance to the other Foundation members.

Management

The Foundation will be managed by a President having the following responsibilities:

- To ensure that votes happen 3 months after any Foundation member has requested a vote or other event happens which would require a vote. Such events would include another band wishing to join the Foundation, or an external group requesting we release material under a different licensing scheme.
- Manage the collection and distribution of any profits.
- To provide financial reports in years where profits exceed \$500 to all Foundation members.
- To ensure that mediation happens in a timely fashion when necessary.

The President has no other authority and may be replaced by another person by majority vote of Foundation members. Initially the President will be Brian Cameron. As they are needed, other officers may be voted into place by majority vote.

Signatures

Contributing Artist:

_____ Date _____

Foundation President:

_____ Date _____

