Artist Partnership Model

Commercial Framework v2

FOR REVIEW

Capitalization context: $4,000,000 working raise

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Purpose

The Company operates two complementary Artist pathways.

Company-Funded Artist Partnerships

The Company selectively invests capital, creative expertise, production infrastructure, development, quality control, and commercial relationships into Artists it believes can become sustainable working performers.

The Artist is not purchasing the funded development services upfront.

> **The Company is investing in the Artist.**

Commercial Artist Partnerships

Artists, managers, labels, and other professional partners may engage the Company's creative and development infrastructure directly on a fee-paying basis.

Commercial Artist Partnerships provide immediate Company revenue and allow Artists to access Company expertise without entering the Company's funded Artist economics.

A Commercial Artist may later become eligible for Company investment where sufficient evidence supports doing so.

The Company therefore maintains two complementary revenue engines:

> **Commercial Services generate near-term cash flow.**
>
> **Company-Funded Artist Partnerships generate longer-term participation and enterprise value.**

1. COMPANY-FUNDED ARTIST QUALIFICATION

Investment capital is selective.

An Artist should demonstrate:

exceptional genuine vocal, instrumental, production, or performance talent
the ability to command attention without relying entirely on production technology
professional live potential
authentic creative identity
willingness to perform
willingness to move quickly
coachability
professionalism
reasonable commercial potential
clear or clearable rights surrounding existing material

willingness to execute an agreed Artist Development Plan
Existing audience and releases are valuable, but they are not substitutes for talent.

The fundamental A&R question remains:

> **Is there something undeniable here when the technology is removed?**

2. COMMERCIAL ARTIST QUALIFICATION

Commercial Artist Partnerships may include:

established independent Artists
signed Artists
Artists represented by management
Artists with existing label budgets
Artists with substantial organic audiences
Artists requiring production completion
Artists requiring live-show development
Artists requiring executive production
Artists requiring creative or commercial strategy
These engagements are paid relationships.

They do not automatically create:

Company recoupment rights
Company live participation
Company master participation
Company publishing participation
or other investment-style economics
Any such participation must be negotiated separately and disclosed clearly.

3. CONVERSION FROM COMMERCIAL ARTIST TO COMPANY-FUNDED ARTIST

Commercial engagements can function as a source of qualified investment opportunities.

During a Commercial Artist Partnership, the Company may observe:

creative ability
professionalism
audience response
live potential
commercial opportunity

work ethic
coachability
existing economics
market demand

If the Company develops sufficient conviction, it may offer to invest in a future Artist project.

Such conversion is never automatic.

A new Company-Funded Artist Partnership must be separately approved and documented.

This allows the Company to make better-informed capital decisions based on actual working relationships.

4. INITIAL COMPANY-FUNDED CAPITAL AUTHORIZATION

Standard Initial Authorization: Up to $50,000

This amount represents the standard initial underwriting level.

It is not an absolute lifetime investment ceiling.

Capital is released progressively based on:

execution
development milestones
live readiness
audience response
commercial evidence
capital efficiency

Stage 1: Validation + Development

Up to $10,000

creative assessment
catalog assessment
production planning
initial production
recording
Artist strategy
rights review
live assessment

Stage 2: Production + Quality Control

Up to $20,000 additional

production
recording
mixing
mastering
release preparation
distribution infrastructure
initial PR
targeted marketing

Stage 3: Commercial + Live Development

Up to $15,000 additional

musical direction
live-show architecture
performance development
targeted marketing
PR
commercial development
industry positioning

Stage 4: Opportunity Reserve

Up to $5,000 additional

strategic travel
legal and administrative expenses
high-value showcases
time-sensitive opportunities
selective campaign acceleration

5. ADDITIONAL GROWTH CAPITAL

Artists demonstrating strong evidence can receive further Company investment beyond the initial $50,000 authorization.

Additional capital can be approved where:

previous capital was deployed effectively
the Artist fulfilled professional obligations
audience response is strengthening
ticket economics are improving
commercial opportunities are emerging
the Artist has become strategically important to the portfolio

additional investment has a credible path to enhanced return

Additional funding may be deployed in tranches such as:

$25,000

$50,000

or larger amounts where justified

Additional capital must be documented clearly and incorporated into the applicable recovery economics.

> **Capital follows evidence.**

6. WHAT COMPANY-FUNDED CAPITAL GENERALLY PAYS FOR

The Company's capital should primarily fund activities where professional execution, quality control, and commercial acceleration materially affect the outcome.

Core Funded Activities

production

recording

mixing

mastering

selective digital marketing

public relations

distribution and release operations

musical direction

live-show development

strategic legal and administrative work

Selectively Funded

travel

showcases

strategic promotional opportunities

tour support

special commercial opportunities

Generally Artist Responsibility

routine musicians and band payroll

routine rehearsal expenses

photography

ongoing content creation

routine social media activity
merchandise manufacturing
personal expenses
Exceptions can be authorized where additional investment has a credible commercial rationale.

7. MASTER OWNERSHIP

The Artist owns 100% of the underlying master.

For masters financed by the Company, the Artist grants the Company an exclusive commercial license for a defined period.

Working assumption:

Seven-year exclusive license from initial commercial release.

During this period, the Company receives the rights necessary to:

distribute
market
monetize
collect
license
administer
negotiate commercial uses
commercially exploit the funded master
subject to the Artist Partnership Agreement.

The Artist retains underlying ownership throughout.

At expiration, Company exclusivity terminates unless both parties voluntarily extend the relationship.

8. THREE-PHASE ECONOMIC MODEL

The Company-funded relationship changes economically as the investment succeeds.

9. PHASE I: CAPITAL RECOVERY

Phase I ends when cumulative Company Receipts equal:

1.0X actual capital deployed

Adjusted Live Revenue

Company: 60% | Artist: 40%

Net Master Revenue

Company: 60% | Artist: 40%

The Artist earns meaningful income while the Company prioritizes recovery of invested capital.

10. PHASE II: GROWTH + RETURN

Phase II begins once the Company has recovered 1.0X capital.

It continues until cumulative Company Receipts equal:

2.0X actual capital deployed

Adjusted Live Revenue

Artist: 75% | Company: 25%

Net Master Revenue

Artist: 70% | Company: 30%

11. PHASE III: ARTIST CHOICE

Once cumulative Company Receipts equal 2.0X deployed capital, the Artist can choose whether to continue the active partnership.

Continuing Partnership

Adjusted Live Revenue: Artist 90% | Company 10%

Net Master Revenue: Artist 80% | Company 20%

The Artist continues receiving:

strategy
consultation
quality control
commercial relationships
live development
industry positioning
Company infrastructure
future development opportunities
New Company capital for future projects requires separate approval.

Independent Path

The Artist may leave active development without penalty.

no ownership of the Artist's career
no ownership of future recordings
no ownership of name or likeness
no claim against unrelated income
no automatic long-term participation in future projects

For qualifying live relationships materially originated by the Company before departure:

5% participation for 12 months

After that:

0% continuing live participation

Previously funded masters remain subject only to their existing commercial license terms.

12. ADDITIONAL INVESTMENT AFTER 2.0X

An Artist reaching 2.0X may still represent an exceptional reinvestment opportunity.

If both parties choose to continue and the Company deploys new capital into a new project, that investment should be separately documented.

New capital should not silently reset previous economics.

The Artist and Company should understand:

what new capital is being invested
what project it applies to
what recovery terms apply
whether new participation is project-specific
how existing Phase III rights are affected

Each material investment should remain transparent and identifiable.

13. PUBLISHING

The Artist always retains their writer's share.

Actual songwriting contributions by Mylo Bard, Company producers, songwriters, or collaborators are separately negotiated according to genuine authorship.

For Company-funded compositions, the Company may receive a minimum defined participation in publisher-side income without representing itself as a songwriter where it did not contribute authorship.

Working commercial target:

Minimum 10% participation in applicable publisher-side receipts from funded compositions.

Publishing administration may also be offered through separate arrangements.

Commercial Artist clients do not automatically grant Company publishing participation simply because they purchase services.

14. SPONSORSHIP + BRAND PARTNERSHIPS

For Company-originated sponsorship and brand opportunities:

Company participation: 15% to 20%

If an Artist independently originates an opportunity and Company involvement is immaterial:

Company participation: 0%

This principle applies to both funded and commercial Artist relationships unless otherwise negotiated.

> **Participation follows contribution.**

15. MERCHANDISE

The Company may advise on:

design
fashion
branding
vendors
pricing
product strategy
live merchandising strategy

The Company does not automatically participate in Artist-funded and Artist-operated merchandise.

Where Company capital or infrastructure materially creates a specific merchandise business, economics must be agreed before capital is deployed.

16. RADICAL FINANCIAL TRANSPARENCY

Company-Funded Artists receive clear reporting showing:

revenue generated
direct expenses
Artist share
Company share
amount applied toward Company recovery
total Company capital deployed

remaining unrecovered capital
progress toward 1.0X
progress toward 2.0X
cash currently payable to Artist

Commercial Artist Partners receive clear statements, invoices, and accounting appropriate to their fee-based engagement.

No hidden deductions.
No undefined charges.
No intentionally confusing royalty accounting.
No unexplained reserves.

17. ARTIST DEVELOPMENT PLAN

Company investment creates reciprocal obligations.

Before substantial capital is deployed, the Artist and Company jointly approve an Artist Development Plan.

Requirements can include:

scheduled creative sessions
recording deadlines
delivery deadlines
reasonable release cadence
performance preparation
live availability
rehearsal readiness
participation in agreed marketing
reasonable fan engagement
interviews and promotional appearances
professional communication
scheduled strategy sessions
financial reporting where Company participation applies
reasonable cooperation with approved commercial partners

> **Creative freedom does not mean freedom from professional responsibility.**

18. CAPITAL TRANCHE REQUIREMENTS

Future capital remains conditional.

The Company evaluates:

creative progress
professional participation
audience response
release performance
live readiness
commercial opportunity
execution of the Artist Development Plan
use of previously deployed resources
The Company may stop future capital deployment when evidence no longer supports additional investment.

19. COMMERCIAL FAILURE

Commercial failure alone does not create personal Artist debt.

If the Artist genuinely executes the mutually approved plan and the market does not respond:

The Company accepts the investment risk.

Unrecouped Company capital remains recoverable only from contractually defined revenues and funded assets during the applicable commercial term.

At the expiration of that term, unrecovered balances expire unless voluntarily extended.

20. FAILURE TO EXECUTE

Commercial underperformance and Artist breach are different.

If an Artist materially refuses to execute the agreed plan, abandons the project, repeatedly fails material commitments, or otherwise breaches the agreement:

future funding can be suspended
undeployed commitments can be cancelled
existing Company commercial rights remain enforceable
unrecovered balances remain recoverable from defined partnership revenues
reasonable cure procedures may apply
Fraud, deliberate unauthorized exploitation, or serious misconduct may receive stronger contractual remedies.

21. HUMAN-FIRST PRODUCTION COVENANT

AI and machine-assisted tools may support workflow and production.

Material generative use must be transparent.

The Company will not knowingly:

replace an Artist's core performance with undisclosed synthetic performance
clone an Artist's voice without explicit permission
clone an Artist's likeness without explicit permission
present end-to-end AI-generated music as the Artist's human performance
use material generative AI contrary to agreed Artist preferences

AI may assist the process. It does not replace the Artist.

22. PROFESSIONAL SESSION STANDARD

An Artist is never required to be alone privately with a producer or Company representative in order to participate.

Production can occur:

remotely
in person
hybrid
through approved third-party facilities
Artists may involve a manager, representative, collaborator, or trusted person where appropriate.

Professional opportunity cannot be conditioned on personal or sexual access.

23. LIVE COMMERCIALIZATION

Every funded Artist is developed with live commercial viability in mind.

The Company provides:

live strategy
musical direction
show development
repertoire architecture
performance consultation
commercial positioning
venue and festival strategy
industry introductions
Where legally required, actual procurement of employment is handled through appropriately licensed booking or talent-agency partners.

The Company intends to become a trusted source of professionally prepared live talent for:

agents
managers
promoters

venues
festivals
brands
corporate buyers
other live partners

24. NEXT PROJECT RIGHTS

The Company does not automatically own the Artist's next project.

During the active funded relationship, the Company receives a limited first opportunity to discuss participation in the Artist's next major recording project.

If both parties agree, new capital and economics are documented separately.

If they do not, the Artist remains free to pursue another path subject only to existing obligations surrounding previously funded assets.

THE ECONOMIC PRINCIPLE

At the beginning:

> **The Company takes greater financial risk and receives greater participation.**

As capital is recovered:

> **Artist participation increases.**

Once the Company achieves its target return:

> **The Artist controls whether the partnership continues.**

If the Artist stays:

> **The Company continues earning because it continues creating value.**

If the Artist leaves:

> **The Company retains only the defined rights associated with value it already created.**

Commercial Artists have an additional path:

> **Pay transparently for the infrastructure without automatically entering the investment model.**
>
> **Success creates freedom.**