

## EXCLUSIVE ARTIST AGREEMENT

AGREEMENT made as of \_\_\_\_\_ by and between:  
\_\_\_\_\_  
"Company") and \_\_\_\_\_ ("you" or "Artist").

The parties hereby agree as follows:

I. Term.

(i) The term hereof ("the Term") shall consist of an initial period (the "First Contract Period") commencing on the date hereof and shall continue until the later to occur of either: (i) twelve (12) months following the date hereof, or (ii) nine (9) months following the date on which you Deliver to Company the Minimum Recording Commitment of such "First Contract Period" plus the additional option or renewal periods (each a "Contract Period"), if any, by which such Term may be extended by Company's exercise of one or more of the options granted to Company below (unless otherwise extended or suspended as provided herein).

(ii) You hereby grant to Company five (5) separate, irrevocable options, each to renew the Term of the Agreement for additional Contract Periods with each such Contract Period to run consecutively beginning at the expiration of the First Contract Period or the related Contract Period, all upon the same terms and conditions applicable to the First Contract Period except as otherwise specified herein. Company may exercise each such option by sending You a notice at any time prior to the end of the Contract Period which is then in effect ("Current Contract Period") unless such Contract Period immediately follows a prior Contract Period which shall have been extended pursuant to the terms hereof in which event notice of a determination by Company not to exercise the option for such renewal term may be given by it at any time before its commencement. If Company exercises any such option, the next Contract Period will begin upon the expiration of the Current Contract Period. Neither the Term nor any additional Contract Period will end unless and until You deliver to Company a notice expressly referring to this paragraph I(a)(ii) and indicating that Company has theretofore failed during the Current Contract Period to exercise Company's option to extend the Term for the next Contract Period. If Company then fails to exercise the applicable option on or before the date that is thirty (30) days after Company receives such notice from You, then the Term will automatically end as if that date were the original expiration date of the Term, without Company having any liability or additional obligations to You in connection therewith except for any of those obligations which survive the Term hereof, (e.g. to account for and pay to Artist royalties, if any).

2. Recording Services.

During the Term of this Agreement, you shall render to Company your exclusive services as a recording artist for the purpose of making Master Recordings and as otherwise set forth herein.

3. Recording Commitment.

During the Term, you shall render your services to Company, in accordance with the terms and conditions hereof, in connection with recording a minimum number of Masters (the "Minimum Recording Commitment"). The Minimum Recording Commitment for each Contract Period shall be 1 option.

4. Recording Procedure.

(a) In connection with Master Recordings to be made hereunder, the following matters shall be mutually determined by you and Company, however, in the event of a disagreement between you and Company, Company's decision shall be final:

(i) Selection of the producer (it is understood and agreed that P. Karanfilovic is hereby deemed an approved producer);

(ii) Selection of material to be recorded, including, without limitation, the number of Compositions to be recorded; and

(iii) Selection of dates of recording and studio where recording is to take place, including the cost of recording therein. The scheduling and booking of all studio time will be done by Company.

(b) Each Master Recording made hereunder shall be subject to Company's approval as commercially and technically satisfactory for the manufacture and sale of Records.

5. Recording Costs.

(a) Company will pay all specifically approved Recording Costs in connection with Master Recordings made hereunder. The recording budgets for Albums delivered hereunder shall be determined by the Company. Company shall not be responsible for the Recording Costs incurred in the production of any Prior Masters (as hereafter defined), unless Company specifically agrees otherwise in writing. Notwithstanding the foregoing, you shall be solely responsible for paying any Recording Costs incurred by Company which are in excess of the recording budget approved by Company but only if, and to the extent, such excess costs are incurred due to your acts or omissions. You shall reimburse Company for any such costs or, at Company's discretion, Company may deduct an amount equal to such excess costs from your share of monies payable to you hereunder. You shall not incur any Recording Costs without Company's prior written approval.

(b) Nothing contained in this Agreement shall obligate Company to permit the continuation of any recording session to be held in connection with Master Recordings hereunder, if Company anticipates that the Master Recordings being recorded will not be satisfactory.

6. Advances And Royalties.

Conditioned upon your full and faithful performance of all of the terms and conditions hereof, Company shall pay to you with respect to the

exploitation of Records hereunder a royalty of twenty percent (20%) of the Suggested Retail List Price for top-line Albums sold through Normal Retail Channels in the United States, as computed, calculated and reduced including, without limitation, reductions for containers, free goods, mid. price and budget price categories and foreign sales, pursuant to Company's Agreement with its distributor. "Net royalties and advances" shall mean the gross royalties and advances received by Company less all Recording Costs, advances payable to the individual producer of the Masters, video production costs, tour support payments, promotion and publicity expenses, Demo recording costs, payments to third parties in connection with the exploitation of rights, and any other costs or expenses incurred by Company in connection with the production, promotion, or exploitation of the Masters and Records derived therefrom hereunder.

7. Prior Master Recordings.

You hereby acknowledge and agree that all Master Recording recorded by you prior to the date of this Agreement shall be deemed Master Recordings (the "Prior Masters") made hereunder for all purposes. A list of all Prior Recordings is listed on Schedule A attached to this Agreement.

8. Grant Of Rights.

(a) All Master Recordings recorded hereunder, including, without limitation, the Prior Masters, from the inception of recording thereof, and all Records manufactured therefrom, together with the performances embodied thereon, shall be the sole property of Company (or its designee) throughout the universe, free from any claims whatsoever by you or any other Person; and Company shall have the exclusive right to copyright such Master Recordings in its name as the owner and author thereof and to secure any and all renewals and extensions of such copyright. The product of all Persons rendering services in connection with the recording of such Master Recordings, including you, shall be deemed "works made for hire" for specific inclusion in a compilation work of Company. If such product is determined not to be a "work made for hire" then you hereby assign all rights, including without limitation the copyright in the Master Recordings, to Company.

(b) Without limiting the generality of the foregoing, Company and any Person authorized by Company shall have the unlimited right, throughout the universe, to manufacture Records by any method now or hereafter known, derived from the Master Recordings made hereunder, and to sell, market, transfer or otherwise deal in the same under any trademarks, trade names and labels, or to refrain from such manufacture, sale and dealing.

(c) Company and any Person authorized by Company each shall have the exclusive right throughout the universe, and may grant to others the right, to reproduce, print, publish, or disseminate in any medium your name, portraits, pictures, likenesses and biographical material concerning you, as news or information, or for the purposes of trade, or for advertising purposes in connection with the sale and distribution of the Master Recordings; provided, however, that no direct endorsement by you of any product or service shall be used without your prior written consent. During the Term of this Agreement, you shall not authorize any Party other than Company to use your name or

likeness in connection with the advertising or sale of Records. As used in this Agreement, "name" shall include any professional names.

(d) Company and any Person authorized by Company each shall have the exclusive right throughout the universe during the Term of this Agreement and thereafter as required pursuant to the Distribution Agreement, and may grant to others the right, to create, maintain and host any and all websites relating to the Artist and to register and use the Artist's name and any variations thereof which embody the Artist's name as Uniform Resource Locators (or "URL's"), addresses or domain names for each website created by Company in respect of the Artist; all such websites and all rights thereto and derived therefrom shall be Company's property.

9. Royalty Accountings.

(a) Company shall compute and pay royalties due you hereunder within thirty (30) days after Company has received accountings and payments from its distributor. Notwithstanding the foregoing, Company shall not be obligated to pay any share of recording funds or recording advances until thirty (30) days after delivery by Company and acceptance by the Distributor of the applicable Masters. Company may deduct from any royalty or other payment due to you under this Agreement any Advance against royalties, any charges or other sums recoupable hereunder from royalties, and any amount you may owe Company under this Agreement or otherwise.

(b) For accounting purposes, foreign sales shall be deemed to occur in the same semi-annual accounting periods in which Company's Licensees account to Company therefor. If Company is unable, for reasons beyond its control, to receive payment for such sales in United States Dollars in the United States of America, royalties therefor shall not be credited to your account during the continuance of such inability; if any accounting rendered to you hereunder during the continuance of such inability requires the payment of royalties to you, Company will, at your request and if Company is able to do so, deposit such royalties to your credit in such foreign currency in a foreign depository, at your expense.

(c) At any time within two (2) years after any royalty statement is rendered to you hereunder, you shall have the right to give Company written notice of your intention to examine Company's books and records with respect to such statement. Such examination shall be commenced within three (3) months after the date of such notice, at your sole cost and expense, by any certified public accountant designated by you, provided he is not then engaged in an outstanding examination of Company's books and records on behalf of a Person other than you. Such examination shall be made during Company's usual business hours at the place where Company maintains the books and records which relate to you and which are necessary to verify the accuracy of the statement or statements specified in your notice to Company and your examination shall be limited to the foregoing. Your right to inspect Company's books and records shall be only as set forth in this paragraph 9(c) and Company shall have no obligation to produce such books and records more than once with respect to each statement rendered to you.

(d) Unless notice shall have been given to Company as provided in paragraph 9(c) hereof, each royalty statement rendered to you shall be final, conclusive and binding on you and shall constitute an account stated. You shall be foreclosed from maintaining any action, claim or proceeding against Company in any forum or tribunal with respect to any statement or accounting rendered hereunder unless such action, claim or proceeding is commenced against Company in a court of competent jurisdiction within three (3) years after the date such statement or accounting is rendered.

(e) You acknowledge that Company's books and records contain confidential trade information. Neither you nor your representatives will communicate to others or use on behalf of any other person any facts or information obtained as a result of such examination of Company's books and records.

10. Warranty And Indemnification.

(a) You warrant and represent that:

(i) You are under no disability, restriction or prohibition, whether contractual or otherwise, with respect to (A) your right to enter into this Agreement, and (B) your right to grant the rights granted to Company hereunder, to perform each and every term and provision hereof, and to record each and every Composition hereunder;

(ii) Company shall not be required to make any payments of any nature for, or in connection with, the acquisition, exercise or exploitation of rights by Company pursuant to this Agreement, except as specifically provided in this Agreement;

(iii) You are or will become and will remain to the extent necessary to enable the performance of this Agreement, a member in good standing of all labor unions or guilds, membership in which may be lawfully required for the performance of your services hereunder;

(iv) Neither the "Materials" nor any use of the Materials by Company will violate or infringe upon the rights of any Person. "Materials" as used in this subparagraph means any musical, artistic and literary materials, ideas and other intellectual properties, furnished by you and contained in or used in connection with any Recordings made hereunder or the packaging, sale, distribution, advertising, publicizing or other exploitation thereof;

(v) There are now in existence no prior recorded performances by you unreleased within the United States of America and elsewhere in the world; and

(vi) All of your representations and warranties shall be true and correct upon execution hereof and upon delivery of each Master Recording hereunder, and shall remain in effect in perpetuity. Company's acceptance of Master Recordings or other materials hereunder shall not constitute a waiver of any of your representations, warranties or agreements in respect thereof.

(b) (i) During the Term of this Agreement, you will not enter into any agreement which would interfere with the full and prompt performance of your obligations hereunder, and you will not perform or render any services for the purpose of making Records or Master Recordings for any Person other than Company. After the expiration of the Term of this Agreement, for any reason whatsoever, you will not perform any Composition which shall have been recorded hereunder for any Person other than Company for the purpose of making Records or Master Recordings prior to the date five (5) years subsequent to the date of delivery of the Master containing such Composition or two (2) years subsequent to the expiration date of the Term of this Agreement, whichever is later; and

(ii) You will not at any time record, manufacture, distribute or sell, or authorize or knowingly permit your performances to be recorded by any party for any purpose without an express written agreement prohibiting the use of such Recording on Records in violation of the foregoing restrictions.

(c) In the event that you shall become aware of any unauthorized recording, manufacture, distribution or sale by any third party contrary to the foregoing re-recording restrictions, you shall notify Company thereof and shall cooperate with Company in the event that Company commences any action or proceeding against such third party.

(d) You will at all times indemnify and hold harmless Company and any Licensee of Company from and against any and all claims, damages, liabilities, costs and expenses, including legal expenses and reasonable counsel fees, arising out of any alleged breach or breach by you of any warranty, representation or agreement made by you herein. You will reimburse Company and/or its Licensees on demand for any payment made at any time after the date hereof in respect of any liability or claim in respect of which Company or its Licensees are entitled to be indemnified. Upon the making or filing of any such claim, action or demand, Company shall be entitled to withhold from any amounts payable under this Agreement such amounts as are reasonably related to the potential liability in issue. You shall be notified of any such claim, action or demand and shall have the right, at your own expense, to participate in the defense thereof with counsel of your own choosing; provided, however, that Company's decision in connection with the defense of any such claim, action or demand shall be final.

## 11. Definitions.

As used in this Agreement, the following terms shall have the meanings set forth below:

(a) "Master Recordings" or "Masters" - each and every Recording of sound, whether or not coupled with a visual image, by any method and on any other substance or material, whether now or hereafter known, which is used in the recording, production, transmission and/or manufacture of Records.

(b) "Person" and "Party" - any individual, corporation, partnership, association or other organized group of persons or legal successors or representatives of the foregoing.

(c) "Records" - all forms of reproductions, now or hereafter known, manufactured, transmitted or distributed primarily for home use, school use, juke box use, or use in means of transportation, embodying (i) sound alone; or (ii) sound coupled with visual images.

(d) "Advance" - amount recoupable by Company from royalties to be paid to you or on your behalf pursuant to this Agreement.

(e) "Composition" - a single musical composition or medley, irrespective of length, including all spoken words and bridging passages.

(f) "Recording Costs" - all payments to vocalists, musicians, arrangers, conductors, orchestrators, producers, and copyists in connection with the recording of the Master Recordings made hereunder, and all union scale payments required to be made to you in connection with your recording services hereunder, together with payroll taxes thereon, payments based on payroll to any labor organization or designee thereof, advances and/or fees to the producer of the Master Recordings (it being understood that no separate fee or advance shall be payable to you for any producing services in connection with the Master Recordings), the cost of cartage and rental of instruments for such recording sessions, studio costs, transportation costs, hotel and living expenses incurred in connection with the preparation and attendance of performers, the individual producers, musicians and other essential personnel at recording sessions, tape, editing and other similar costs in connection with the production of the final tape master and the lacquer master, and all other costs generally and customarily recognized as recording costs in the industry.

(g) "Album" - one (1) long-playing Record, in any configuration, of at least forty (40) minutes in playing time.

(h) "Single" - a Record embodying thereon not more than two (2) Master Recordings.

(i) "Licensees" - includes, without limitation, any Distributor and all subsidiaries, wholly or partly owned, and other divisions of Company and any of Company's licensees.

(j) "Delivered" or "Delivery" - the actual receipt by Company of fully mixed, edited and mastered Master Recordings satisfactory to Company and ready for Company's manufacture of Records, and all necessary licenses, consents and approvals.

(k) "Controlled Composition" - a Composition embodied in a Master Recording recorded or released hereunder, which Composition (i) is written or composed, in whole or in part, by you or (ii) is owned or controlled, in whole or in part, directly or indirectly, by you or by any Person in which you have a direct or indirect interest.

## 12. Suspension And Termination.

(a) If your voice or your ability to perform as an artist becomes materially impaired, or if you fail, refuse, neglect or are unable to comply with any of your material obligations hereunder (including, without limitation, failure

to timely fulfill your recording commitment) then, in addition to any other rights or remedies which Company may have, Company shall have the right, exercisable at any time by notice to you: (i) to terminate this Agreement without further obligation to you as to unrecorded Master Recordings, or (ii) to extend the then current Contract Period of the Term for the period of such default plus such additional time as is necessary so that Company shall have no less than ninety (90) days after completion of your recording commitment or the fulfillment of any other material obligation within which to exercise its option, if any, for the next following Contract Period. Company's obligations hereunder shall be suspended for the duration of any such default.

(b) If, because of an act of God, inevitable accident, fire, lockout, strike or other labor dispute, riot or civil commotion, act of public enemy, enactment, rule, order or act of any government or governmental instrumentality (whether federal, state, local or foreign), failure of technical facilities, failure or delay of transportation facilities, illness or incapacity of any performer or producer, or other cause of a similar or different nature not reasonably within or Company's control, Company is materially hampered in the recording, manufacture, distribution or sale of Records, or Company's normal business operations become commercially impractical, then, without limiting Company's rights, Company shall have the option by giving you notice to suspend the Term of this Agreement for the duration of any such contingency plus such additional time as is necessary so that Company shall have no less than thirty (30) days after the cessation of such contingency in which to exercise its option, if any, for the next following option period. Any such extension of the then current Contract Year due to any cause set forth in this Paragraph 12(c) which involves only Company shall be limited to a period of six (6) months.

### 13. Mechanical Licenses.

All Controlled Compositions are hereby licensed to the Company for the US and Canada at a rate (the "Controlled Rate") equal to 75% of the minimum statutory or other corresponding rate (i.e., without regard to the so-called "long song formula") which is in effect for the applicable country on the contractual date for delivery of the first master embodying the applicable Controlled Composition. A maximum mechanical royalty per record, inclusive of mechanical royalties payable with respect to non-Controlled Compositions, of 2 times, 3 times 5 times and 10 times the Controlled Rate for a single Controlled Composition for all songs on each Single, 12 – inch Single, EP and LP, respectively. Any amounts that the Company must pay in excess of the applicable configurations caps shall be fully deductible from all any royalties payable to you under this Agreement. Mechanical royalties shall only be payable on net sales of records for which record royalties are payable. No copyright fees shall be payable for the use of Controlled Compositions on videos. On multiple versions of the same Controlled Composition in any record, mechanicals shall be payable on one version only. No mechanical royalties are payable on Controlled Compositions comprised on non-musical material (i.e., spoken word) or on Controlled Compositions of less than two minutes in duration.

### 14. Legal And Equitable Relief.



You acknowledge that your services hereunder, as well as the Master Recordings recorded and the rights and privileges granted to Company under the terms hereof, are of a special unique, unusual, extraordinary and intellectual character which gives them a peculiar value, and that, in the event of a breach by you of any material term, condition, representation, warranty or covenant contained herein, Company will be caused irreparable injury and damage. You expressly agree that in the event of any breach or threatened breach by you of the terms of this Agreement, Company shall be entitled, without the necessity of proving actual damages or posting a bond or other security and in addition to any other remedies that may be available in an action at law, to temporary and permanent injunctive relief, including specific performance of the terms of this Agreement.

15. Assignment.

Company may assign this Agreement to any third party or to any subsidiary, affiliated or controlling corporation or to any Person owning or acquiring a substantial portion of the stock or assets of Company. Company may also assign its rights hereunder to any of its Licensees to the extent necessary or advisable in Company's sole discretion to implement the license granted. You may not assign this Agreement or any of your rights hereunder and any such purported assignment shall be void ab initio.

16. Notices.

Except as otherwise specifically provided herein, all notices hereunder shall be in writing and shall be given by registered or certified mail or telegraph (prepaid), at the respective addresses hereinabove set forth, or such other address or addresses as may be designated by either party. Such notices shall be deemed given when mailed or delivered to a telegraph office, except that notice of change of address shall be effective only from the date of its receipt.

17. Failure Of Performance.

The failure by either party to perform any of its respective obligations hereunder shall not be deemed a breach of this Agreement unless the other party gives written notice to the breaching party of such failure to perform and such failure is not corrected within thirty (30) days from and after breaching party's receipt of such notice, or, if such breach is not reasonably capable of being cured within such thirty (30) day period, breaching party does not commence to cure such breach within such thirty (30) day period and proceed with reasonable diligence to complete the curing of such breach thereafter.

18. Merchandising.

You hereby grant to Company and its Licensees the exclusive right, throughout the universe, to use and authorize the use of your name, portraits, pictures, likenesses and biographical material, either alone or in conjunction with other elements, in connection with the sale, lease, licensing or other disposition of merchandising rights. For the rights granted by you to Company in this paragraph, Company shall pay to you a royalty of thirty-five (35%) percent of Company's net royalty receipts derived from the exploitation of such

rights, after deducting all costs and third party payments relating thereto; and such royalty shall be accounted to you in the manner otherwise provided herein.

19. Videos.

(a) Company shall have the right to require you to perform at such times and places as Company designates for the production of films or videotapes featuring your performances of Compositions embodied on Master Recordings recorded hereunder that is released as a "single" (hereinafter "Videos"). You shall have reasonable approval over the concept, budget and director of each Video. In the event of a disagreement between you and Company, Company's decision shall be final. Company shall be the exclusive owner throughout the universe and in perpetuity of such Videos and all rights therein, including all copyrights and renewal of copyrights, and shall have all of the rights with respect thereto which are set forth in paragraph 8 above, including without limitation, the right (but not the obligation) to use and exploit such Videos in any and all forms.

(b) All sums paid by Company in connection with the production of Videos shall constitute Advances to you which are recoupable from royalties payable to you pursuant to this Agreement. All sums paid by Company's licensee in connection with the production of Videos shall be recoupable hereunder.

(c) As to the exploitation of the Videos by Company's licensees, Company shall credit your account with fifty (25%) percent of Company's net receipts attributable to the Videos. "Net receipts" shall mean all amounts received by Company less any amount which Company pays in connection with the exploitation of the Videos, including payments to publishers, labor organizations, shipping and duplication costs, and distribution fees. Your share of Company's net receipts shall be inclusive of any compensation for the use of any Controlled Compositions contained in the Videos.

20. Co-Publishing.

(a) (i) You hereby irrevocably and absolutely assign, convey and set over to Company an undivided fifty (50%) percent interest in the worldwide copyright (and all renewals and extensions thereof) and all other rights in and to each Controlled Composition.

(ii) Company shall be the exclusive administrator of all rights in and to each such Controlled Composition, and it shall be entitled to exercise any and all rights with respect to the control, exploitation and administration of the Controlled Composition, including without limitation, the sole right to grant licenses, collect all income and to use the name, likeness and biographical material of each composer, lyricist and songwriter hereunder in connection with each applicable Controlled Composition for the full term of copyright (including all renewals and extensions thereof) in and to each Controlled Composition; and

(iii) You represent and warrant that the Controlled Compositions are original and do not infringe upon or violate the rights of any other Person and that you have the full and unencumbered right, power and authority to

grant to Company all of the rights herein granted to Company. You hereby indemnify Company against any loss, damage or expense (including reasonable attorneys' fees) in respect of any claims, demands, liens or encumbrances. Company shall have the benefit of all warranties and representations given by the writer of the Controlled Compositions.

(b) From all royalties earned and received by Company in the United States of America from the exploitation of the Controlled Compositions throughout the world (the "Gross Receipts"), Company shall:

(i) deduct and retain for its own account an administration fee of fifteen (15%) percent of the Gross Receipts;

(ii) deduct and retain all out-of-pocket costs incurred by Company in connection with the exploitation, administration and protection of the Controlled Compositions;

(iii) deduct and pay royalties payable to the writers of the Controlled Compositions (which you warrant and represent shall not exceed fifty (50%) percent of the Gross Receipts); and

(iv) pay to you an amount equal to fifty percent (50%) of the balance remaining after deducting the aggregate sums set forth in subparagraphs (b)(i), (ii) and (iii) above, and the remaining fifty percent (50%) thereof shall be retained by Company for its sole use and benefit.

(c) Accountings for such royalties shall be rendered semi-annually subject to all the terms and provisions of paragraph 9 hereof.

(d) Any assignment made of the ownership or copyright in, or right to license the use of, any Controlled Compositions referred to in this paragraph shall be made subject to the provisions hereof. The provisions of this paragraph are accepted by you, on your own behalf and on behalf of any other owner of any Controlled Compositions or any rights therein.

(e) You shall promptly provide Company with a copy of your songwriter agreement with the writer of each Controlled Composition or such other agreement evidencing your rights in and to such Controlled Composition, and you shall provide Company with copies of such agreements with respect to Controlled Compositions not yet created promptly after their creation.

(f) You shall execute and deliver to Company any documents (including without limitation, assignments of copyright) which Company may require to vest in Company and/or its designees, the copyright and other rights herein granted to Company in respect to each Controlled Composition. If you shall fail to promptly execute such document, you hereby irrevocably grant to Company a power of attorney to execute such document in your name.

## 21. Touring Activities.

Artist agrees that throughout the Term, Company shall be Artist's exclusive promoter in connection with touring as well as any "one-off" concerts, shows or other performances whether open to the public or not throughout the

world. Artist shall pay Company twenty percent (20%) of Net Touring Income. Net Touring Income is defined as gross income payable to Artist or on Artist's behalf in connection with each live performance less all costs which are customarily considered "show costs" in the U.S. concert touring business and actually paid by Artist, including agent fees, rent, security, stagehands, marketing/advertising (calculated at net, reasonable within industry standards and no higher than those attributable to similarly-situated artists), catering, liability insurance maintained by Artist or an Artist controlled entity pursuant to a policy mutually approved by Company (which shall in all events name Company as an additional insured), performing rights or copyright society licensing rights and any other bona fide costs not contemplated in the foregoing clause but which you and Company reasonably determine should be deducted from gross income payable to Artist. Artist shall instruct all third parties to account directly to Company for its share of Net Touring Income due hereunder and in the event that any such third party fails or refuses to so account, Artist shall account to Company for its share of Net Touring Income within ten (10) days of Artist's receipt of such monies. For the avoidance of doubt, Artist shall not be entitled to any share of Company's income as the promoter of any such performances, concerts or tours.

22. Passive Income Participation.

During the Term hereof, Artist shall cause all relevant third parties to pay to Company via irrevocable letter of direction a royalty of thirty percent (30%) of Artist's "Net Royalty Receipts" (as defined below) derived from the exploitation of Artist's services in connection with all entertainment-related endeavors, including but not limited to the following ("Covered Revenues"), provided that such percentage shall be inclusive of any participation by Distributor: (i) services rendered by the Artist as an actor or performer (in any and all media, including without limitation motion picture and television), (ii) live performance and concert engagements (including public stage performances of at kinds, web-casts, sponsorships, television or cable broadcasts, payper-view broadcasts, one-nighters, concert tours and the like); (iii) non-fiction books, magazines and other nonfiction publishing materials, (iv) games, including, without limitation, video games; and (v) the use or exploitation of Artist's name, voice or likeness and/or logos on merchandise, endorsements, sponsorships strategic partnerships and the like in any manner whatsoever. Such royalty shall be accounted to Company within thirty (30) days in the manner otherwise provided herein. "Net Royalty Receipts", as used in this paragraph shall mean the gross sums actually received by or credited to Artist in connection with Covered Revenues. Covered Revenues shall not include any sums received by Artist of which Company receives a percentage elsewhere in this Agreement.

23. Approvals.

Wherever in this Agreement your or Company's approval or consent is required, such approval or consent shall not be unreasonably withheld. Company may require you to formally give or withhold such approval or consent by giving you written notice requesting same and by furnishing you with the information or material in respect of which such approval or consent is sought. You shall give Company written notice of approval or disapproval within five (5) days after such notice. You shall not hinder nor delay the scheduled release of any record hereunder. In the event of disapproval or no consent, the reasons

therefor shall be stated. Failure to give such notice to Company as aforesaid shall be deemed to be consent or approval.

23. Miscellaneous.

(a) This Agreement contains the entire understanding of the parties hereto relating to the subject matter hereof and cannot be changed or terminated except by an instrument signed by the parties. A waiver by either party of any term or condition of this Agreement in any instance shall not be deemed or construed as a waiver of such term or condition for the future, or of any subsequent breach thereof. All remedies, rights, undertakings, obligations, and agreements contained in this Agreement shall be cumulative and none of them shall be in limitation of any other remedy, right, undertaking, obligation or agreement of either party. The headings of the paragraphs hereof are for convenience only and shall not be deemed to limit or in any way affect the scope, meaning or intent of this Agreement or any portion thereof.

(b) It is understood and agreed that in entering into this Agreement, and in rendering services pursuant thereto, you have, and shall have, the status of an independent contractor and nothing herein contained shall contemplate or constitute you as Company's employee or agent.

(c) Those provisions of any applicable collective bargaining agreement between Company and any labor organization which are required, by the terms of such agreement, to be included in this Agreement shall be deemed incorporated herein.

(d) The validity, interpretation and legal effect of this Agreement shall be governed by the laws of the State of New York applicable to contracts entered into and performed entirely within the State of New York. The New York courts, only, will have jurisdiction of any controversies regarding this Agreement; and, any action or other proceeding which involves such a controversy will be brought in the courts located within the County and State of New York, and not elsewhere. Any process in any action or proceeding commenced in the courts of the State of New York arising out of any such claim, dispute or disagreement, may, among other methods, be served upon you by delivering or mailing the same, via registered or certified mail, addressed to you at the address first above written or such other address as you may designate pursuant to paragraph 16 hereof. Any such delivery or mail service shall be deemed to have the same force and effect as personal service within the State of New York.

(e) You warrant and represent that you have been advised with respect to the negotiation and execution of this Agreement to seek counsel from an independent attorney of your own choice and have done so.

(f) If any part of this Agreement shall be determined to be invalid or unenforceable by a court of competent jurisdiction or by any other legally constituted body having jurisdiction to make such determination, the remainder of this Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above-written.