

PRODUCTION AGREEMENT

_____ PRODUCTIONS

Dated as of _____, 20____

Artist

Dear _____:

This shall confirm the basic terms of agreement between you and us, and each of our respective publishing designees, as follows:

1. You have recorded or will record sound master recordings (the "demos") for us at studio(s) designated by us at our sole cost and expense of compositions (the "Demo Compositions") mutually chosen by us and you. We currently intend to present the completed demos to record companies for the purpose of obtaining distribution of records embodying your performances. For purposes of this Agreement, any such record company distributor shall be referred to hereinafter as a "Distributor", and any such agreement between us and a Distributor concerning the distribution of records embodying your performances shall be referred to hereinafter as a "Distribution Agreement".

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2. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, you hereby grant to us or our designee the exclusive option to acquire your exclusive services as a recording artist throughout the world on the terms set forth herein. Our option will commence as of the date hereof and must be exercised within _____ months after the demos are completed (the "shopping period"). The foregoing option shall be deemed to have been automatically exercised if, during the shopping period, we have obtained a Distribution Agreement (or have an offer to enter into a Distribution Agreement and such Agreement is consummated within 3 months thereafter). If we do not exercise the foregoing option, from and after the date that option expires, the following shall apply: (a) we shall have no further rights to your services hereunder; (b) we will not commercially exploit the demos embodying your vocal performances without your consent, provided that we shall have the right to erase your vocals and use the instrumental tracks; (c) you may offer to purchase the demos, and we may, at our election,

negotiate with you in good faith to arrive at a fair value therefor, provided that we shall be under no obligation to do so.

3.(a) During the shopping period, you shall, at our request, record such number of demos, and perform such other services, such as, but not limited to, appearing at photo shoots, rehearsals, showcases and meetings, all as we may deem desirable to effectively shop for a Distribution Agreement. Promptly after the execution hereof, you may provide us with approved pictures of you and biographical material concerning you which you would like us to use. We shall have the right to reject said photographs and biographical material only on reasonable grounds. We will make available to you for your approval photographs and biographical material concerning you which we intend to use. Your approval of said materials shall not be unreasonably withheld and shall be deemed given unless your disapproval is accompanied by a reasonable reason therefore, and has been received by us within five (5) business days after such materials have been made available to you. All demos, photos, etc. shall be subject to the provisions of this Agreement. Only we, and our designees, shall have the right to shop the demos during the shopping period. You understand that we and/or our designees shall have the sole right during the shopping period to negotiate and enter into any Distribution Agreement on your behalf, provided that we shall consult with you regarding the principal terms thereof and shall provide you with executed copies thereof.

(b) During the term of this Agreement, you will render your recording services entirely to us. Notwithstanding the foregoing we will consider any requests by you to perform as a so-called "sideman" or in audiovisual works, subject to the requirements of any Distributor.

4. With regard to albums recorded under the Distribution Agreement (collectively, "Albums"), we shall pay you the following non-returnable advances (collectively, "Advances"), each payable 50% on commencement of recording of the applicable Album, and 50% on delivery to and acceptance by us of the applicable Album:

(a) For each of the first and second Albums,

_____ (\$_____) Dollars.

(b) For the third Album,

_____ (\$_____) Dollars.

(c) For the fourth Album,

_____ (\$_____) Dollars.

(d) For the fifth Album,

_____ (\$_____) Dollars.

(e) For all subsequent Albums,

_____ (\$_____) Dollars.

For purposes of this Agreement, 'Advances' shall mean all advances payable to you pursuant to this paragraph 4, as well as all costs incurred by us during the shopping period, including, without limitation, the cost of recording the demos (which costs incurred at our studios shall be charged at our normal rates), costs of publicity photos and other publicity materials, rehearsal and showcasing expenses, 50% of all reasonable attorney's fees incurred in connection with negotiating any Distribution Agreement on your behalf, and any other amounts paid to you or on your behalf with your consent or at your request.

5. All Advances shall be fully recoupable from and chargeable against the following royalties payable to you hereunder in respect of Net Sales of Albums which are sold by the Distributor and not returned in the United States through Normal Retail Distribution Channels ("USNRC Net Sales") for which payment is actually received by us (as defined in the Distribution Agreement), less all applicable deductions, determined by multiplying the Suggested Retail List Price ("SRLP") of such Albums by the following applicable royalty rates:

(a) For the first two Albums, a royalty of _____%.

(b) For the third and fourth Albums, a royalty of _____%.

(c) For all subsequent Albums, a royalty of _____%.

(d) The foregoing basic royalty rates shall be increased by one-half (1/2) of one (1%) percent for USNRC Net Sales of the applicable Album in excess of 500,000 units, and by another one half (1/2) of one (1%) percent for USNRC Net Sales of that Album in excess of one million units.

(e) Notwithstanding the foregoing, with respect to any Album, in no event shall we pay you less than an amount equal to 50% of our corresponding basic royalty rate under the Distribution Agreement for such Album (i.e., not including escalations). For example, if our basic rate is 13% (before escalations), your basic royalty rate shall be not less than 6.5%.

We shall be solely responsible to pay any producer royalties out of our share. Your royalties hereunder shall be pro-rated based on the ratio which the number of masters embodying your performances ("Masters") on the applicable record bears to the total number of master recordings on such record. With respect to all exploitations of Masters other than in the form of USNRC Net Sales of Albums by the Distributor, your royalty shall be calculated and adjusted (e.g. subject to the same proportionate deductions and reductions) in the same proportionate manner as our corresponding royalty is calculated and adjusted under the Distribution Agreement. No royalties shall be payable to you hereunder until all recording costs of the Masters and all other charges required to be recouped under the Distribution Agreement shall have been recouped. At such time as all such costs have been recouped, you shall receive your royalties, subject to recoupment of your Advances hereunder. We may, in our sole discretion, instruct the Distributor to account directly to you for all royalties owed to you hereunder. In the event that we do not elect to do so, we will account and pay your royalties to you within sixty (60) days after our

receipt of the corresponding royalties from the Distributor, provided in no event shall accountings be rendered to you less frequently than on a semi-annual basis.

6. If we, or our designee, enter into a Distribution Agreement hereunder, the following will automatically apply:

(a) All of the terms and conditions of the Distribution Agreement applicable to you shall be binding upon you as if you were a direct party thereto, provided that in no way shall you be deemed to be a third party beneficiary of the Distribution Agreement or have any direct rights against the Distributor;

(b) The term of this Agreement shall be co-terminus with the term of the Distribution Agreement and our right to exercise options to extend the term hereof shall be as set forth in the Distribution Agreement, it being understood that the Distributor's exercise of an option under the Distribution Agreement for recordings embodying your performances shall be deemed to be our exercise of the corresponding option for your services hereunder and thereunder, provided we so notify you in each case;

(c) You agree to comply in a timely fashion with all recording and delivery schedules contained therein' and all other obligations and services required by you thereunder;

(d) You shall execute so-called "inducement letters" in favor of that Distributor promptly after our request' as well as any other documents or more formal agreements which may be necessary to effectuate the intent of that Distribution Agreement, or this Agreement;

(e) If so required by the Distributor, from the date of and during the term of the Distribution Agreement, we will guarantee that you shall receive not less than \$9,000 per year, or such other amount as may be required in order to satisfy the provisions of California Civil Code section 3423 (5).

7. Notwithstanding anything to the contrary contained herein, if the term of a Distribution Agreement expires or is terminated prior to the date such agreement would have ended had the Distributor exercised all of its options thereunder, we shall have a period of _____ months from the date of such expiration or termination (such period being deemed a "shopping period" for purposes hereof) within which to secure a replacement Distribution Agreement. If we have not secured a replacement Distribution Agreement within that _____ month period, you shall have the right to terminate the term hereof at any time thereafter, unless we secure a replacement Distribution Agreement prior to such termination.

8. You hereby grant to our publishing designee 50% of your share of the worldwide copyrights (including any extensions and renewals), as well as 100% of the exclusive worldwide administration rights to the Demo Compositions and any other musical compositions written by you, in whole or in part' from and after the date hereof which are recorded hereunder and released under any Distribution Agreement (collectively,

"Compositions"). Accordingly, our designee shall have the exclusive right to issue licenses and to receive all income generated by any such Compositions. Our designee shall pay to you that percentage of the so-called "writer's share" and that percentage of 50% of the so-called "publisher's share" of such income which equals the percentage of your creative contribution to a Composition, less any expenses or third party deductions related thereto, and less a 10% administration fee, if we or our publishing designee handles the administration of the Compositions ourselves, it being understood that if we license those administrative responsibilities to a third party, we shall not retain any fees in excess of those charged by said third party. You shall be entitled to receive your writer's share of public performance income from your own performing rights society. Without limiting the generality of the foregoing, you understand and agree that you shall be bound by the so-called "controlled compositions" provisions in any Distribution Agreement. We shall have the right to enter into a more formal co-publishing and exclusive administration agreement in the future embodying the foregoing terms, plus such other customary provisions as may be negotiated in good faith between us.

9. You hereby grant to us or our designee the worldwide right to exploit and reproduce your name (both professional and legal, and whether presently or hereafter used by you), images, likenesses and biographical material concerning you and any trade names used by you in connection with the sale and advertising of records made hereunder. Our use of photographs and biographies concerning you hereunder shall be subject to the approval procedures set forth in paragraph 3 above.

10. All references to "you" hereunder shall refer to the above named individual individually and collectively, if performing as part of a group, and/or to any entities furnishing the services of or owned or controlled by you. You shall not record, nor shall we require you to record as a member of any group without your and our mutual consent.

11. You acknowledge that your services hereunder are of a unique nature, the loss by us of which would be difficult to value in terms of damages. Accordingly, you agree that in addition to any other rights available to us, we shall have the right to seek to enjoin a breach by you of your obligations hereunder. You shall not have the right to rescind or terminate this Agreement. Neither part, hereto shall be deemed to be in breach hereof unless until the nonbreaching party shall have notified the other party of the alleged breach and such other party shall fail to remedy any such failure within 30 days. Without limiting the foregoing, if you fail to perform any of your obligations hereunder, in addition to any other rights or remedies we may have, we shall have the right to either suspend the term hereof until you have remedied such failure, or terminate the term of this Agreement.

12. We shall have the right to enter into a more formal exclusive recording artist agreement with you in the future embodying the relevant terms hereof plus such other customary terms as may be embodied in the Distribution Agreement or negotiated in good faith between us. Until such time, if ever, as the more formal agreements referred to in this Agreement is/are entered into, this agreement shall constitute your and our full and final understanding with respect to the subject matter hereof and shall be binding between us.

13. As between you and us, shall own all of the results and proceeds of your services hereunder and under any Distribution Agreement. You represent that you have the right to enter into this Agreement and perform your obligations hereunder and that all material prepared by you hereunder will be original and will not infringe upon anyone's rights. You agree to indemnify us and our licensees against any claims which are contrary to the foregoing.

14. We may assign all or part of this Agreement to any entity affiliated with or owned or controlled by us or to any Distributor. We will notify you of any such assignment. You may not assign any of your obligations hereunder. All notices hereunder shall be in writing at the addresses first set forth above, or such other addresses as the parties may designate in writing.

15. You have read and understand this agreement and by signing in the space provided below, agree to be bound by the provisions hereof.

Very truly yours,

PRODUCTIONS

AGREED TO AND ACCEPTED:

Artist

MERCHANDISING PROVISIONS

You hereby grant to us or our designee the exclusive worldwide right during the term hereof at our election, to exploit, reproduce and authorize others to exploit and reproduce your name (both professional and legal, and whether presently or hereafter used by you), images, likenesses and biographical material concerning you (subject to your approval in accordance with the approval procedures set forth herein) and any trade names used by you in connection with the manufacture, distribution, or sale of reproductions of your name, images and likenesses on products such as, but not limited to, T-shirts, posters, buttons and pins ("Merchandising Rights").

We shall credit your royalty account hereunder with the following royalties on the exploitation by us or our licensees of Merchandising Rights: _____ (_____%) percent of the flat-fee or royalty received by us (or credited to us in reduction of an advance previously paid to us) in the United States from the exploitation of Merchandising Rights, less all costs paid or incurred by us in connection with the exploitation of Merchandising Rights and the collection of those monies and less all taxes and adjustments, including, without limitation, any participation or other sums payable by us in connection with the exploitation by us or our licensees of Merchandising Rights. If we license our Merchandising Rights hereunder to a third party merchandising company, we will instruct

said merchandising company to account for and pay you your share of royalties pursuant to this subparagraph 9(b) directly and to calculate those royalties in the same manner and subject to the same reserves, adjustments, etc. as our corresponding royalties are subject to under our licensing agreement with such third party merchandiser. If said merchandiser fails or refuses to so pay you, we shall account to you and pay you your share within 30 days of our receipt of the corresponding royalties from said merchandiser.

AUDIT PROVISIONS

You shall have the right upon reasonable advance written notice to us to inspect our books and records at our normal place of business during normal business hours, as the same may relate specifically to advances and royalties payable to you hereunder, provided that you shall: (i) only have the right to do so with respect to any royalty statement within 12 months of the date such statement was rendered, and only once with respect to any such statement, and (ii) not have the right to inspect and Distributor's books or records. Without limiting the foregoing, if we audit any Distributor's books and records and recovers additional sums for your recordings under any Distribution Agreement, we shall promptly pay you your share of such royalties after such recovery is received by or credited to us by such Distributor, after deduction of a proportionate share of the costs of such audit.