

## City Centre Offices. A Record Label

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Berlin, 01|08|2003

### Recording Agreement

We write to confirm the agreement today reached between us in respect of the LP/CD Towerblock015 by YASUME on City Centre Offices.

This agreement is effective from the.....day of.....2003 and shall terminate 60 (Sixty) months from this date on the.....day of ..... 2008.

Between: John Twells, 95 Mellish Road, Walsall, West Midlands, WS4 2DF, England

and Gabriel Morley, 11135 Camarillo, Apt. 1, North Hollywood, CA 91602, USA

(hereinafter referred to as the artist) on the one part

and: City Centre Offices, Berlin Branch, Thaddeus Herrmann, Klopstockstr. 14, 10557 Berlin, Germany

(hereinafter referred to as the company) on the other part.

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## 1. Definitions

1. (1) Territory shall mean the World.
1. (2) Composition shall mean musical works written wholly or in part by the Artist and/or performed by the Artist, (including but not limited to the titles, lyrics, and music thereof and all, collections, compilations and all arrangements, adaptations, versions, editions and translations thereof).
1. (3) Record shall mean a reproduction of a Master recording in any form now or later developed from which sound can be reproduced either directly or with the aid of a machine.
1. (4) Master recording shall mean the original material object in which sounds with or without visual images are fixed by any method now known or later developed.
1. (5) Track shall mean one continuous performance of a composition.
1. (6) Artwork shall mean all the original material whether images or information required for any sleeve or insert or label or other part of the packaging or design of the Record.
1. (7) Video shall mean any audio-visual presentation of a Master Recording in any form now or hereafter developed which can be perceived directly or with the aid of a machine.
1. (8) Costs shall mean any and all deductions the Company is entitled to make prior to the distribution of income hereunder.

## 2. Grants Of Rights

2. (1) The artist assigns the company the right to use the Master Recording embodying the performances by the Artist of the Compositions listed in Schedule One for the agreed term.
2. (2) The company shall not be entitled to remix, re-edit or otherwise materially change all or any part of the Master Recording without prior written consent of the company.
2. (3) The artist agrees to inform the company of any plans of other companies to release records embodying master recordings by the artist (including, but not

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limited to any pseudonyms now known and used or later elected) not listed in schedule one as early as possible, but not later than 4 (four) months before the release of the record is scheduled. The company shall be entitled to contact the other company and to co-ordinate release dates and promotional activities. The artist agrees to provide all relevant contact information for the company intending to release the master recordings. In the event that the company is not being informed about projects as described in this paragraph, the company shall have the right to terminate the Agreement by giving the artist written notice.

2. (3) The artist grants the right to the company to use and allow others to use names, approved likenesses and biographical materials of the Artist and any part of the Artwork in connection with the advertising publicising promotion and sale of the records released under this agreement.

2. (4) The company will use all reasonable commercial endeavours to distribute and sell the Records throughout the Territory at a price elected by the company. No Records shall be distributed as free goods other than for reasonable promotion purposes. This exploitation of the Master Recordings includes the use of the Compositions for Compilations and websites incorporating download-on-demand facilities. Such use shall be mutually agreed with the company. The royalties received from compilations and downloads will be split on a 50% | 50 % basis between the artist and the company. Advances will be handled the same way.

### **3. Delivery And Release**

3. (1) The artist shall deliver to the company all the Master Recordings required for commercial release in the form satisfactory to the Company in it's reasonable opinion for the manufacture of Records together with all the relevant copyright information required for the manufacture and commercial release of Records.

3. (2) Artwork should be supplied in the form of computer files.

3. (3) The company shall release Records of the Master Recordings in any country of the Territory no later than 120 days after receipt of the Master Recordings and (if the Artwork is supplied by the Artist) the relevant Artwork. In the event the Company fails to release a record in accordance with this clause the Agreement shall terminate forthwith and the Master Recordings shall be returned to the Artist.

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## 4. Income And Accounting

4. (1) The artist shall receive 50% (fifty) of the net income derived from the exploitation of the Master Recordings

4. (2) Net income shall be defined as gross income less

(a) all manufacturing costs including but not limited to the origination and printing of all Artwork and packaging of sleeves and labels and the manufacturing of the Records, all storage and shipping costs and any other costs payable to the distributor or it's licensees.

(b) all advertising costs and promotion costs and expenses incurred by the licensee in respect of the exploitation of the Master Recordings.

(c) all reasonable legal costs and expenses incurred by the licensee in respect of the licensing and other exploitation of the Master Recordings.

(d) V.A.T. and any governmental taxes required to be deducted in any part of the Territory.

(e) subject to prior approval of the Artist and the company any other costs directly attributable to the manufacture and sale of Records embodying the Master Recordings.

For the avoidance of doubt with reference to 4.2 a) - e) the Costs shall be in accordance with standard commercial terms shall be mutually agreed with the Artist and the company.

4. (3) in the event that the Artist has already assigned the copyright of the Compositions embodied in the Master Recordings to a third party, the company agrees to pay all mechanical and synchronisation fees payable to copyright owners, publishers and/or collection societies. In this event, the artist receives 17% of the wholesale price (elected by the company) of every record sold.

4. (4) A deduction of 10% of all royalties due to be paid will be made if the Compact Disc is packaged in a Digipak. If the event that the reproduction of the Artwork requires special techniques and/or special kind of cardboard and/or uses more than four colours (CMYK) or two Pantone colours, further deductions apply and will be agreed with the Artist.

4. (5) Returns reserve: 5%

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4. (6) The company agrees to keep all usual and proper records and books of account and all usual and proper entries therein relating to the sale of Records hereunder and to deliver to the artist or their appointed representative within 90 (ninety) days following the expiration of each six month period ending June 30th and December 31st written statements showing the sale of Records hereunder during such period.

4. (7) The company shall pay to the artist their proportion of the net income due in accordance with clause 4. All payments shall be made in Euro.

4. (8) Provided the company is given at least 14 (fourteen) days notice the company shall permit the Artist or their duly authorised representative at the artist's sole expense to inspect the company's books and records relating solely to the company's obligations hereunder at reasonable times at the place where such books and records are kept. This clause shall continue in full force and effect for a period of 1 (one) year subsequent to the expiration or termination of this Agreement. Any information obtained in the course of such an inspection should be considered private and confidential.

## 5. Termination And Remedy

5. (1) In the event that the company fails to account or make payments required under this Agreement the artist shall have the right to terminate the Agreement by giving the company written notice of such failure provided that such failure is not cured within 60 (sixty) days of receiving such notice.

## 6. Warranties

The artist hereby warrants and represents that

(a) they have all the licenses, permissions, written consents and necessary authorities to enable the company to use and exploit the Master Recordings and Artwork for the full purposes of this Agreement.

(b) they are free to enter into this agreement and to perform all the obligations contained herein and to grant all the rights herein granted.

(c) there is no suit claim action or other legal or administrative proceeding now pending or threatened which involves the Master Recordings or the company which would have a bearing on this Agreement.

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(d) the Artist is not a minor.

(e) that each Master recording is not and will not infringe the copyright or other rights of any third party and is or will not be defamatory or obscene.

## **7. Legal Proceedings**

This Agreement shall be construed in accordance with the Law Of Germany and the parties hereto submit to the jurisdiction of the High Court of Justice in Germany.

## **8. Governmental Regulations**

This Agreement and the provisions hereof and each of them are subject to the foreign exchange control regulations of each country of the Territory.

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BY SIGNATURE HERETO YOU CONFIRM THAT WE HAVE ADVISED YOU TO OBTAIN INDEPENDENT LEGAL ADVICE FROM A SPECIALIST MUSIC INDUSTRY SOLICITOR SO AS TO ENSURE YOU UNDERSTAND THE TERMS AND EFFECT OF THIS AGREEMENT. YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED THE BENEFIT OF SUCH ADVICE.

As Witness the hands of the parties thereto the day and year first above written

Signed by the said John Twells.....

Signed by the said Gabriel Morley.....

In the Presence of.....

Signed by Thaddeus Herrmann  
for and on behalf of City Centre Offices .....

In the Presence of .....

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## Schedule One

<b>Title</b>	<b>Artist</b>	<b>Share</b>
Rengoku	Twells / Morley	100 %
When Audrey Dances	Twells / Morley	100 %
2112 Crescent Heights	Twells / Morley	100 %
The Prevailing Wind	Twells / Morley	100 %
Peculiar Fascination	Twells / Morley	100 %
Sing The Noises	Twells / Morley	100 %
Slowly, Clearly And Calmly	Twells / Morley	100 %
Triumph Of Two	Twells / Morley	100 %

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