

**ISLAND DEF JAM MUSIC GROUP
A Division of UMG Recordings, Inc.
1755 Broadway
New York, New York 10019**

Dated as of May 17, 2012

Kanye West &
Getting Out Our Dreams, Inc.
c/o Carroll Guido & Groffman, LLP,
1790 Broadway, 20th Floor
New York, New York 10019
Attn: Michael Guido, Esq.

Gentlemen:

Reference is made to the following agreements, as said agreements may have been heretofore amended and/or modified and which agreements are in full force and effect as of the date hereof:

(i) the agreement between Island Def Jam Music Group, a division of UMG Recordings, Inc. ("IDJ"), as successor-in-interest to Roc-A-Fella Records, LLC, and Kanye West, as successor-in-interest to Rock The World, LLC ("Grantor"), dated April 13, 2005, pursuant to which Grantor furnishes to IDJ his exclusive recording services (the "Recording Agreement");

(ii) the label agreement between IDJ and Getting Out Our Dreams, Inc. ("Label"), dated May 31, 2011 (the "Label Agreement"); and

(iii) that certain agreement entered into by IDJ on the one hand, and Label and Artist on the other hand, dated March 27, 2012, with respect to IDJ's contribution towards production of a motion picture being commissioned by Artist and/or Label entitled *Kanye West Presents: Cruel Summer* (the "Film Agreement").

All terms not specifically defined herein shall have the same definition used in either the Recording Agreement or the Film Agreement, it being understood that if the same term is used in both agreements and are defined differently in each, then the definition used in the Recording Agreement shall apply. Label and Artist are hereinafter individually and collectively referred to as the "Artist Parties" or "you."

WHEREAS, pursuant to the Film Agreement, IDJ has paid to the Production Company the IDJ Investment, and has since contributed an additional One Million Dollars (\$1,000,000) towards production costs for the Film (the "Second IDJ Investment");

WHEREAS, Artist has advised IDJ that the production costs incurred thus far in connection with the Film have exceeded the original Three Million Two Hundred Thousand Dollars (\$3,200,000) production budget for the Film by One Million Five Hundred Thousand Dollars (\$1,500,000) (the "Excess Film Costs");



WHEREAS, Artist has requested that IDJ pay the Production Company an amount equal to the Excess Film Costs in order to enable the Production Company to finalize and deliver the Film;

NOW THEREFORE, in consideration of the mutual covenants made herein, IDJ and you hereby agree to modify and/or amend the Film Agreement and the Recording Agreement, as applicable, as follows:

1. (a) Reference is hereby made to that portion of the Album Six Recording Fund that IDJ has not yet paid pursuant to the Recording Agreement (the "Album Six Back-End"). Notwithstanding anything to the contrary contained in the Recording Agreement, IDJ shall deduct One Million Dollars (\$1,000,000) from the Album Six Back-End and pay such amount to you promptly following full execution hereof (such payment is sometimes hereinafter referred to as the "First Artist Investment"). To the extent that such deduction causes there not to be sufficient monies remaining in the Sixth Album Recording Fund to incur all Recording Costs required to be paid in connection with the Sixth Album, then IDJ shall deduct the monies necessary to pay such Recording Costs from the Recording Fund for Seventh Album Recording Fund.

(b) Notwithstanding anything to the contrary contained in the Recording Agreement, IDJ shall deduct Five Hundred Thousand Dollars (\$500,000) from the Album Seven Recording Fund and pay such amount to you promptly following satisfactory completion and delivery of the Film as determined by IDJ in IDJ's sole discretion (such payment is sometimes hereinafter referred to as the "Second Artist Investment").

(c) You hereby authorize and direct IDJ to pay the First Artist Investment, and as and when applicable, the Second Artist Investment, on your behalf directly to the following party at the following address:

Good Company Pictures, LLC ("GCP").
31-11 Crescent Street
Astoria, N.Y. 11106

You acknowledge and agree that payment of the First Artist Investment and the Second Artist Investment to GCP shall constitute payment to you, and that IDJ shall have no liability by reason of any erroneous payments or failure to comply with your authorization. IDJ's compliance with the foregoing authorization will constitute an accommodation to you alone; GCP is not a beneficiary of it. You indemnify and hold IDJ harmless from and against any claims asserted against IDJ and damages, losses, liabilities or expenses IDJ incurs by reason of any such payment or otherwise in connection herewith.

(d) The first One and One Half Million Dollars (\$1,500,000) of the Artist Film Share (as defined in paragraph 3 below) received in connection with the commercial exploitation of the Film, if any, shall be remitted to IDJ and IDJ shall apply such monies as follows:

(i) IDJ shall first apply any of such monies towards replenishment of the Seventh Album Recording Fund; and

(ii) IDJ shall then apply any of such monies towards replenishment of the Album Six Back-End.



2. The Film Agreement is hereby modified such that:

(a) you shall only be required to deliver to IDJ one (1) Film Video. For purposes of clarification, the penalty described in subparagraph 3(c)(ii) of the Film Agreement shall nonetheless apply but shall be with respect to your failure to deliver one (1) Film Video to IDJ as of the Video Delivery Date; and

(b) the last sentence of subparagraph 1(a) is hereby deleted and replaced with the following:

"You warrant and represent that: a Person other than IDJ (e.g., Doha Film Institute) shall contribute One Million Dollars (\$1,000,000) in cash and Five Hundred Thousand Dollars (\$500,000) in In-Kind Investments towards the production costs of the Film; and, the total out-of-pocket production costs for the Film (including, without limitation, any and all clearances in connection therewith but not including DFI's In-Kind Investments) shall not exceed Four Million Seven Hundred Thousand Dollars (\$4,700,000)."

(c) the words "and the Second IDJ Investment, the First Artist Investment and the Second Artist Investment" shall be added in subparagraph 3(c)(i) after the words "IDJ Investment". You and IDJ acknowledge and agree that the intent of the foregoing modification is to cause the Second IDJ Investment, the First Artist Investment and the Second Artist Investment to be direct debts from Artist and Label to IDJ in addition to the First IDJ Investment in the event that you breach any of the Film Agreement's terms or if you fail to cause the Film to be completed as of the Film Delivery Date.

3A. Reference is hereby made to that certain agreement between DFI and Label, dated April 14, 2012, with respect to the Film (the "DFI Agreement"). IDJ hereby agrees that to the extent the First Artist Investment and/or the Second Artist Investment is paid as set forth above, and/or to the extent that the Second DFI Investment (as defined in subparagraph 4(e) below) is applied towards the production costs for the Film, the ownership interests in the Rights Company (as defined in the DFI Agreement) will be revised to reflect the respective investments made by IDJ, DFI and you to fund the total production budget for the Film. The share of receipts payable to you in connection with the commercial exploitation of the Film, as based on your ownership interest in the Film, is sometimes referred to herein as the "Artist Film Share." IDJ acknowledges that the Artist Film Share shall be based on One Million Five Hundred Thousand Dollars (\$1,500,000) for purposes of recoupment under the DFI Agreement, but only One Million Two Hundred Thousand Dollars (\$1,200,000) for post-recoupment profit calculation under the DFI Agreement.

3B. IDJ and Artist agree to grant synchronization licenses, on a gratis basis, for the use in the Film (and in advertisements and promotions therefor) of Master Recordings that were delivered under either the Recording Agreement or the Label Agreement. Nothing in the preceding sentence shall be construed such as to require IDJ and/or Artist to grant a synchronization license with respect to any particular Master Recording (other than the Master Recording entitled "Mercy" and newly-recorded Master Recordings created specifically for the Film or the Compilation Album, which Master Recordings are hereby approved by IDJ and you to the extent of IDJ's and your rights therein and subject to the applicable artist's consent).



4. You hereby warrant and represent as to each of the following, it being agreed that your breach of any of the following shall constitute a breach of the Film Agreement, as amended hereby:

(a) you have heretofore caused the Production Company to apply the IDJ Investment and the Second IDJ Investment towards the production costs for the Film;

(b) Doha Film Institute ("DFI") has heretofore applied One Million Dollars (\$1,000,000) in cash, and Five Hundred Thousand Dollars (\$500,000) in the form of so called "in-kind" investments (the "Second DFI Investment"), towards the production costs for the Film;

(c) the production costs incurred in connection with the Film have thus far exceeded the original production budget for the Film (in the amount of Three Million Two Hundred Thousand dollars (\$3,200,000)) by the amount of the Excess Film Costs;

(d) you shall cause the Production Company to apply the First Artist Investment and the Second Artist Investment solely towards production costs (including Production Company's fee for services rendered in connection with the Film) for the Film;

(e) the total amount in production costs that will now be required to complete the Film (not including any costs required to be incurred in connection with the synchronization of Master Recordings and Compositions in the Film [hereinafter, the "Synch Costs"]) is Four Million Seven Hundred thousand Dollars (\$4,700,000) plus the In-Kind Investment by DFI;

(f) IDJ shall not be responsible for any Synch Costs required to be incurred in connection with the exploitation of the Film, whether or not such exploitation will be by IDJ;

(g) you shall cause DFI to enter into an amendment of the DFI Agreement with you such that the terms of subparagraph 1(d) and paragraph 3 above are reflected in such amendment;

(h) except as expressly set forth herein, IDJ shall not be required to make any payments or incur any costs in connection with the Film. You acknowledge and agree that the warranty and representation made by you in this subparagraph 4(h) is of the essence of this agreement to IDJ and served as an inducement to cause IDJ to enter into this agreement; and

(i) after the date of the Film Agreement, Rock The World, LLC assigned its prospective rights under the Recording Agreement to Artist. Artist hereby affirms the terms of the Film Agreement insofar as they relate to the Recording Agreement and agrees to be bound by the terms thereof as if Artist was the sole party, other than IDJ, whose consent was required to modify or amend the Recording Agreement.



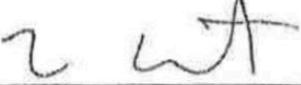
5. Except as expressly or by necessary implication modified hereby, the terms and binding effect of the Film Agreement remain unchanged and are hereby ratified. This amendment may be signed in counterparts, and may be executed and delivered by facsimile and or electronic mail as a so called "pdf", which when taken together will have the same effect as if signed in its original form by all the parties.

Very truly yours,

ACCEPTED AND AGREED TO:

THE ISLAND DEF JAM MUSIC GROUP,
A DIVISION OF UMG RECORDINGS, INC.

By: _____
Steve Gawley
Its: EVP Business & Legal Affairs

By: 
Kanye West
- and -

GETTING OUT OUR DREAMS, INC.


By: _____
An Authorized Signatory

**THE ISLAND DEF JAM MUSIC GROUP,
A DIVISION OF UMG RECORDINGS, INC.
1755 BROADWAY
NEW YORK, NEW YORK 10019**

Dated as of March 10, 2013

Kanye West
c/o Carroll, Guido & Groffman, LLP
1790 Broadway, 20th Floor
Suite 800
New York, NY 10019
Attention: Michael Guido, Esq.

Getting Out Our Dreams, LLC
c/o Carroll, Guido & Groffman, LLP
1790 Broadway, 20th Floor
Suite 800
New York, NY 10019
Attention: Michael Guido, Esq.

Re: Kanye West / Sixth Album Amendment

Dear Gentlepersons:

Reference is hereby made to the following agreements, as said agreements may have been amended and which agreements are in full force and effect as of the date hereof:

The exclusive recording agreement between The Island Def Jam Music Group, a division of UMG Recordings, Inc. (as successor-in-interest to Roc-A-Fella Records, LLC [collectively, "IDJ"]) and Rock The World, LLC ("RTW") f/s/o Kanye West (the "Artist"), dated as of April 13, 2005, as amended and in full force and effect as of the date hereof (the "Recording Agreement");

The letter of direction and assignment agreement between RTW and Artist, on the one hand, and IDJ, on the other hand, dated as of May 4, 2012, wherein RTW assigned its rights in and to the Recording Agreement to Artist (the "Assignment Agreement");

The label agreement between IDJ and Getting Out Our Dreams, Inc. ("Label"), dated as of May 27, 2012 (the "Label Agreement"); and

The film agreement in connection with the film entitled *Kanye West Presents: Cruel Summer* (the "Film") entered into by IDJ on the one hand, and Label and Artist on the other hand, dated as of March 27, 2012, as amended and in full force and effect as of the date hereof (the "Film Agreement").

All terms not specifically defined herein shall have the same meaning used in the Recording Agreement or the Label Agreement, it being understood that if the same term is used in both agreements and are defined differently in each, then the definition used in the Recording Agreement shall apply.

WHEREAS, the parties have agreed to allocate Six Hundred Thirty-Nine Thousand Dollars (\$639,000) (the "Cruel Summer / Hawaii Costs") of recording costs incurred in connection with recording sessions in Hawaii for both the compilation album entitled "Cruel Summer" (the "Cruel Summer Album") (delivered to IDJ pursuant to the Label Agreement) and the Sixth Album, to Sixth Album Recording Costs;

WHEREAS, Artist has incurred One Million One Hundred Sixty-Three Thousand Dollars (\$1,163,000) in connection with Sixth Album Recording Costs through December 31, 2012;

WHEREAS, One Million One Hundred Ninety-Eight Thousand Dollars (\$1,198,000) (the "Sixth Album Balance") remains in the Sixth Album Recording Fund as of December 31, 2012 (i.e., the \$12,000,000 Sixth Album Recording Fund, reduced by the following costs: \$8,000,000, paid as an execution Advance; \$1,000,000, paid in connection with production of the Film; \$639,000, paid in connection with the Cruel Summer Album [i.e., Cruel Summer / Hawaii Costs]; and \$1,163,000, incurred in connection with Sixth Album Recording Costs through December 31, 2012);

WHEREAS, Artist has advised IDJ that Recording Costs in connection with the Sixth Album will exceed the Sixth Album Balance by One Million Five Hundred Twenty-Three Thousand Dollars (\$1,523,000) (the "Excess Sixth Album Costs") (i.e., \$2,721,000 to complete the Sixth Album, inclusive of the Sixth Album Balance);

WHEREAS, Artist has incurred approximately, Four Hundred Ninety-Three Thousand Dollars (\$493,000) (the "Approximate Paris Costs") in connection with Sixth Album Recording Costs incurred during sessions in Paris between January 1, 2013 and the date hereof, which costs have been or will be paid by IDJ directly; and

WHEREAS, Artist and IDJ have agreed that certain revenues and expenses incurred in connection with the Film will be allocated to Label's venture with IDJ pursuant to the Label Agreement.

NOW THEREFORE, in consideration of the mutual covenants made herein, the parties hereby agree to modify and amend the Recording Agreement, Film Agreement and Label Agreement as follows:

1. Sixth Album / Cruel Summer Album / Recording Costs. Notwithstanding anything to the contrary contained in the Recording Agreement or the Label Agreement, solely in connection with the Sixth Album, the parties hereby acknowledge that:

(a) Cruel Summer / Hawaii Costs will be allocated to the Sixth Album as Sixth Album Recording Costs (i.e., in reduction of the Sixth Album Recording Fund). For the avoidance of doubt, the balance of recording costs incurred in connection with the Cruel Summer Album [approximately, an additional \$1,300,000] will remain allocated to a separate Cruel Summer recording budget pursuant to Label's venture with IDJ.

(b) Cruel Summer / Hawaii Costs shall be fully "cross-collateralized" with Artist's main royalty account under the Recording Agreement, subject to the following: IDJ may recoup Cruel Summer / Hawaii Costs from: (i) one hundred percent (100%) of Profits generated pursuant to the Label Agreement in connection with the Cruel Summer Album (on a cumulative basis; there shall be a standalone "P&L" for the Cruel Summer Album without regard to Overhead Funding); and (ii) in the event that there is a Cruel Winter project ("Cruel Winter"), from 100% of Profits generated pursuant to the Label Agreement (if any) in connection with Cruel Winter (without regard to Overhead Funding). To the extent Cruel Summer / Hawaii Costs are recouped pursuant to (i) or (ii) of the prior sentence, Artist's main royalty account under the Recording Agreement will be credited with an equal amount.

(c) Artist hereby agrees and acknowledges that Recording Costs incurred in connection with the Sixth Album through December 31, 2012 total One Million One Hundred Sixty-Three Thousand Dollars (\$1,163,000) and such Recording Costs shall not be re-allocated to any other Artist Album or Label project in connection with Label Agreement (i.e., such Recording Costs are appropriate and bona fide Sixth Album Recording Costs).

2. Excess Sixth Album Costs. Notwithstanding anything to the contrary contained in the Recording Agreement, solely in connection with the Sixth Album, the parties hereby acknowledge that:

(a) (i) The Sixth Album Balance (i.e., \$1,198,000) will be increased by the Excess Sixth Album Costs (i.e., \$1,523,000) for a total remaining balance of Two Million Seven Hundred Thousand Dollars (\$2,721,000) (the "New LP 6 Remaining Balance").

(ii) Five Hundred Thousand Dollars (\$500,000) of the New LP 6 Remaining Balance will be allocated to the Sixth Album Recording Fund in reduction of the Seventh Album commencement Advance (i.e., the Seventh Album commencement Advance set forth in paragraph 2(b)(i) of the May 4, 2012 amendment to the Recording Agreement shall be reduced to \$2,500,000).

(iii) In the event that the worldwide performance of LP 6 exceeds 2,650,000 units (as determined by IDJ's internal reporting system, including 10-track so-

called "track equivalent album sales" or "TEAS"), IDJ will increase the Seventh Album commencement Advance by Five Hundred Thousand Dollars (\$500,000) (i.e., IDJ will increase the Seventh Album commencement Advance by the amount which was paid, per paragraph 2(a)(ii) above in reduction of the Seventh Album commencement Advance).

(b) For the avoidance of doubt, the New LP 6 Remaining Balance (i.e., \$2,721,000) will not be reduced by Cruel Summer / Hawaii Costs.

3. Artist's Administration of Certain Sixth Album Recording Costs. Notwithstanding anything to the contrary contained in the Recording Agreement, solely in connection with the Sixth Album, the parties hereby acknowledge that:

(a) IDJ will pay to Artist One Million Seven Hundred Twenty-One Thousand Dollars (\$1,721,000) of the New LP 6 Remaining Balance, less Approximate Paris Recording Costs (for the avoidance of doubt, to the extent Approximate Paris Recording Costs are determined to be less than or in excess of \$493,000, IDJ shall adjust the New LP 6 Remaining Balance accordingly), promptly following the complete execution hereof, and Artist shall directly administer such Recording Costs in connection with the Sixth Album. IDJ will provide evidence of payment of the Approximate Paris Costs paid by them so such costs can be verified and so that IDJ and Company can avoid making any duplicative payments to vendors. The remaining One Million Dollars (\$1,000,000) will be held and administered by IDJ (in accordance with the terms of paragraph 6.01[a] of the Recording Agreement) in connection with costs associated with samples, side-artists, producers and mastering, and if, after deduction of all Recording Costs paid or incurred by IDJ in connection with the Sixth Album, there remains any balance of the New LP 6 Remaining Balance, it shall be paid to Artist promptly following delivery of all Master Recordings and other materials required to be delivered to IDJ pursuant to Articles 3 and 4 of the Recording Agreement in connection with the Sixth Album (and promptly after IDJ reasonably believes that it has received bills or accruals for all Recording Costs actually incurred in connection with the Sixth Album).

(b) Artist shall deliver to IDJ a finished Sixth Album (less mastering and clearances) ready for commercial release by IDJ.

4. Film Revenues / Expenses. Notwithstanding anything to the contrary contained in the Film Agreement or otherwise, the parties hereby acknowledge that any and all revenues and expenses incurred in connection with the Film, solely to the extent of the IDJ Investment in the Film (pursuant to paragraph 1[a] of the Film Agreement [i.e., up to \$2,200,000]), shall fall under the Label Agreement (as already specified in the Film Agreement; and for the avoidance of doubt, all revenue received in connection with Artist's \$1,500,000 investment in the Film shall be retained by Artist).

5. This writing sets forth the entire understanding between the parties hereto with respect to the subject matter hereof, and no modification, amendment or waiver of this document shall be binding upon either party hereto unless confirmed by a written instrument signed by an authorized signatory of the party sought to be bound. No waiver

of any provision of, or waiver of a default under this amendment or any failure to exercise rights hereunder shall prejudice the rights of either party thereafter, nor shall it form precedent for the future.

6. Except as expressly or by necessary implication modified hereby, the terms and binding effect of the Recording Agreement, Label Agreement and Film Agreement are hereby ratified and confirmed without limitation or exception.

7. This Amendment may be signed in counterparts, and may be executed and delivered by facsimile and or electronic mail as a pdf, which when taken together will have the same effect as if signed in its original form by all the parties.

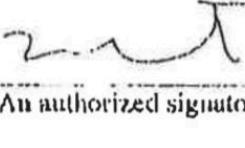
Very truly yours,

THE ISLAND DEF JAM MUSIC GROUP,
a division of UMG Recordings, Inc. 

By: 
an authorized representative

AGREED AND ACCEPTED:

Getting Out Our Dreams, LLC

X By: 
An authorized signatory

(insofar as I am concerned)

X 
Kanye West

(insofar as I am concerned)

DEF JAM RECORDING,
A DIVISION OF UMG RECORDINGS, INC.
1755 BROADWAY
NEW YORK, NEW YORK 10019

Dated as of August 11, 2014

Getting Out Our Dreams II, LLC
c/o Carroll, Guido & Groffman, LLP
5 Columbus Circle
20th Floor
New York, NY 10019
Attention: Michael Guido, Esq.

Re: Def Jam Recordings -w- Getting Out Our Dreams II, LLC f/s/o Kanye West // Amendment to the P&D Agreement (LPs 7 – 10)

Dear Gentlepersons:

Reference is hereby made to the following agreements, as said agreements may have been amended and which agreements are in full force and effect as of the date hereof:

The exclusive recording agreement between Def Jam Recordings, a division of UMG Recordings, Inc. (as successor-in-interest to the Island Def Jam Music Group, as successor-in-interest to Roc-A-Fella Records, LLC (collectively, "UMG")), and Rock The World, LLC ("RTW") f/s/o Kanye West (the "Artist"), dated as of April 13, 2005, ("Recording Agreement");

The profit split agreement between UMG and RTW f/s/o Artist, dated as of May 4, 2012, which amendment to the Recording Agreement, among other things, sets forth the profit split and reversion terms in connection with the sixth Album and seventh Album ("Profit Split Agreement");

The assignment and assumption agreement between RTW and Artist, dated as of May 4, 2012 (including the exhibit, which exhibit, among other things, directs UMG to pay Artist and RTW directly in connection with the Recording Agreement) with respect to RTW's assignment of its prospective rights under the Recording Agreement to Artist, dated as of May 4, 2012 (collectively, "RTW Letter of Direction"); and

The exclusive pressing and distribution agreement between UMG and Getting Out Our Dreams II, LLC ("Grantor" or "you") with respect to the pressing and distribution of Artist's eighth Album and ninth Album, dated as of May 7, 2012 ("P&D Agreement").

The aforementioned agreements, as amended hereby, shall be collectively referred to herein as the "Kanye Agreements". All terms not specifically defined herein shall have the same meaning used in the P&D Agreement and Recording Agreement, unless otherwise provided herein. If any of the terms contained herein (hereinafter, the "P&D Amendment") conflict with the terms of the Recording Agreement, the terms of the P&D Amendment shall govern.

For good and valuable consideration, the receipt of which each party hereby acknowledges, the parties agree to modify the Kanye Agreements as follows:

1. **Term / Product.** Notwithstanding anything to the contrary contained in the Kanye Agreements (including, without limitation, this P&D Amendment):

(a) Grantor and Artist hereby acknowledge and agree that UMG timely and properly exercised its option to extend the Term of the Recording Agreement for the sixth Option Period during which UMG is entitled to receive delivery of the seventh Album of the Minimum Recording Obligation (the

"Seventh Album"). The Seventh Album shall hereinafter be deemed the first Album of the P&D Agreement (i.e., the Sixth Album shall be the final Album delivered to UMG in satisfaction of the Minimum Recording Obligation of the Recording Agreement, subject to the provisions of paragraph 7 below). Notwithstanding anything to the contrary contained in the Kanye Agreements (including, without limitation, this P&D Amendment), in connection with the Seventh Album (and each of the other P&D Albums), all of RTW's, Grantor's and/or Artist's, as applicable, covenants, warranties, representations and grants of rights, including, without limitation, all representations and warranties and covenants pursuant to the Recording Agreement, and all of UMG's rights in connection therewith, shall remain in full force and effect (including any payment obligations to RTW in connection with the Seventh Album) with respect to each of the P&D Albums as if incorporated herein.

(b) During the term of the P&D Agreement (the "P&D Term"), Grantor may, at its sole option, deliver to UMG one (1) extra-contractual Album comprised of previously recorded, unreleased Master Recordings, featuring the performances of Artist, tentatively entitled the "Lost Yeezus Tapes" (collectively, the "Lost Tapes"). In the event that Grantor delivers the Lost Tapes to UMG, the Lost Tapes shall be deemed a P&D Album (defined below) subject to the same financial terms set forth herein with respect to the Seventh Album (i.e., with respect to payments, the administration of Recording Costs, the applicable Distribution Fee and Licensing Fee, Third Party Marketing Costs, accountings, etc.). For the avoidance of doubt, Grantor shall not be permitted to release the Lost Tapes to any party other than UMG.

(c) Grantor hereby grants to UMG one (1) additional separate option to extend the P&D Term for one (1) additional Contract Period (i.e., the tenth Album of the Minimum Recording Obligation ("Tenth Album")). For the avoidance of doubt, following the Initial Period, UMG shall have a total of three (3) additional separate options for three (3) Albums (i.e., the Eighth Album, Ninth Album and Tenth Album).

(d) The following provisions shall replace paragraph 1(c) of the P&D Agreement and are incorporated herein:

"(c) The Minimum P&D Recording Obligation hereunder shall be as follows:

<u>Contract Period</u>	<u>Minimum P&D Recording Obligation</u>
Initial Period	the Seventh Album
First Option Period	the Eighth Album
Second Period	the Ninth Album
Third Option Period	the Tenth Album

The Seventh Album, Eighth Album, Ninth Album and Tenth Album shall hereinafter be collectively referred to as the "P&D Albums"; each, a "P&D Album". The P&D Albums shall be deemed "Subject Materials" (as such term is defined in paragraph 1(d) below)."

2. Administration of Recording Costs. Notwithstanding anything to the contrary contained in the Kanye Agreements (including, without limitation, this P&D Amendment):

As of the date hereof, UMG's obligation to fund any and all Recording Funds, Advances, Recording Costs (including, but not limited to, the Recording Funds set forth in paragraph 3(b) of the P&D Agreement) to Grantor pursuant to the P&D Agreement is hereby deemed terminated. Notwithstanding the foregoing, commencing as of the date hereof, Grantor shall prospectively fund any and all Recording Costs (including, but not limited to, clearance costs, studio costs, equipment rentals, performer fees, union related costs, A&R related travel expenses, producer advances, side-artists advances, musician fees, sample fees, etc.) in connection with Artist's recording of the P&D Albums hereunder (including, without limitation, the Seventh Album), it being understood that any such costs paid or committed to be paid by UMG in connection with the P&D Albums (including, without limitation, the Execution Advance set forth in paragraph 3(a) of the P&D Agreement, and all Advances and/or Recording Costs, paid by UMG in connection with the Seventh Album), shall be deducted from "Net Billings" (defined in paragraph 3(d) below) or Net Licensing Billings, as applicable, otherwise payable to Grantor hereunder.



3. **Distribution Fee.** Notwithstanding anything to the contrary contained in the Kanye Agreements (including, without limitation, this P&D Amendment):

(a) (i) **Seventh Album / Distribution Fee.** Solely in connection with the exploitation of the Seventh Album in the United States, UMG shall retain a Distribution Fee of twenty-one percent (21%) of Net Billings, reducing prospectively to seventeen percent (17%) of Net Billings upon reaching sales in excess of one million (1,000,000) units in the United States as determined by Soundscan (or its equivalent if UMG ceases to use the Soundscan service). Notwithstanding the foregoing, Grantor's share of Net Proceeds otherwise payable to Grantor and/or Artist in connection with the Seventh Album shall be paid to Grantor, Artist (or Artist's designee) and RTW pursuant to the terms of the RTW Letter of Direction, subject to the terms and conditions herein.

(ii) **Seventh Album / Ex-U.S. Rate.** For the avoidance of doubt, the Basic Rate shall be twenty-five percent (25%) in connection with UMG's sales, distribution and other exploitation of the Seventh Album outside of the United States (through affiliates or other third parties).

(b) (i) **Eighth Album Distribution Fee.** Solely in connection with the exploitation of the Eighth Album in the United States, UMG shall retain a Distribution Fee of seventeen percent (17%) of Net Billings.

(ii) **Eighth Album / Ex-US Rate.** For the avoidance of doubt, the Basic Rate shall be twenty-five percent (25%) in connection with UMG's sales, distribution and other exploitation of the Eighth Album outside of the United States (through affiliates or other third parties).

(c) (i) **Ninth & Tenth Album / Distribution Fee.** Solely in connection with the exploitation of the Ninth, and Tenth Albums in the United States, UMG shall retain a Distribution Fee of seventeen percent (17%) of Net Billings.

(ii) **Ninth & Tenth Album / Ex-U.S. Rate.** For the avoidance of doubt, the Basic Rate shall be twenty-six percent (26%) in connection with UMG's sales, distribution and other exploitation of each the Ninth Album and Tenth Album outside of the United States (through affiliates or other third parties).

(d) "Net Billings" shall mean, for all purposes of the P&D Agreement, gross billings in connection with the exploitation of the applicable P&D Albums hereunder, less returns and reserves against anticipated returns and credits earned hereunder in the United States. In establishing reserves, UMG will take into consideration the sale and returns history of previous Records shipped hereunder as well as that of the Record concerned, SoundScan reports (or similar retail sales reports) and reports from UMG's distributor regarding to what extent the Record concerned is "selling through" at retail outlets. For the avoidance of doubt, in calculating Net Billings, UMG does not take reserves against anticipated returns for Records sold in the form of Electronic Transmissions. Notwithstanding the foregoing, Net Billings shall also include any reserves UMG liquidates. The foregoing definition of Net Billings shall replace Section 1.01. of Exhibit B of the P&D Agreement.

4. **Recoupment.** Notwithstanding anything to the contrary contained in the Kanye Agreements (including, without limitation, this P&D Amendment):

(a) Artist's royalty and net profit account pursuant to the Recording Agreement (collectively, the "Recording Agreement Royalty Account") and the RTW Account (as defined in paragraph 4[b] below) which is a portion of the Recording Agreement Royalty Account, shall at all times remain uncrossed from Grantor's share of Net Proceeds pursuant to the P&D Agreement (and this P&D Amendment) (the "P&D Account"), except as follows: solely in connection with the P&D Albums and following recoupment of any and all costs paid or incurred by UMG on a P&D Album-by-P&D Album basis (including, without limitation any marketing costs and/or Third Party Marketing Costs [as defined in paragraph 6 below]), UMG shall apply the next Two Million Dollars (\$2,000,000) of Grantor's share of Net Proceeds otherwise payable per P&D Album to the unrecouped Recording Agreement Royalty Account (inclusive of the RTW Account),



subject to an aggregate cap of Six Million Dollars (\$6,000,000) across all P&D Albums. After the aforementioned Two Million Dollar (\$2,000,000) application of recoupment per P&D Album set forth in the immediately preceding sentence is applied to the unrecouped Recording Agreement Royalty Account (inclusive of the RTW Account), any and all future monies in connection with Grantor's Share of Net Proceeds payable for the applicable P&D Album shall be applied to the P&D Account only. Notwithstanding the generality of the foregoing, for the purpose of this paragraph 4(a): (i) all costs incurred by UMG in connection with the Seventh Album shall be included in costs when determining recoupment in connection with the Seventh Album herein; (ii) one-half (1/2) of the Execution Advance (i.e., \$1,500,000) shall be included in costs when determining recoupment of costs in connection with the Eighth Album herein; and (iii) the balance of the Execution Advance (i.e., \$1,500,000) shall be included when determining recoupment of costs in connection with the Ninth Album.

(b) For the avoidance of doubt, that portion of royalties, net profits, and/or Grantor's share of Net Proceeds paid into the Recording Agreement Royalty Account by Grantor as set forth in paragraph 4(a) above, and pursuant to the RTW Letter of Direction (as the same may be amended from time to time), shall constitute the RTW account (the "RTW Account"). For the further avoidance of doubt pursuant to the RTW Letter of Direction, the RTW Account shall not be deemed payable until such time as the Recording Agreement Royalty Account (of which the RTW Account is a portion of) is in a fully recouped position. No royalties accruing pursuant to the Recording Agreement shall be paid through to Artist until such time as the Recording Agreement Royalty Account is in a fully recouped position, subject further to the terms and conditions of paragraph 4(a) above.

5. **Timely Delivery of Seventh Album.** Notwithstanding anything to the contrary contained in the Kanye Agreements (including, without limitation, this P&D Amendment), Grantor shall be obligated to Deliver the Master Recordings comprising the Seventh Album to UMG within a reasonable time for such Seventh Album to be commercially released by UMG in 2015; such delivery date may only be extended by mutual approval of the parties hereto.

6. **Marketing.** Notwithstanding anything to the contrary contained in the Kanye Agreements (including, without limitation, this P&D Amendment), solely in connection with its commercial release of the P&D Albums in the United States, UMG will advance or incur all costs to third parties in connection with marketing, promotion, publicity, and advertising, including without limitation, the cost of promotional Records and Videos that are part of the marketing plan approved in writing by UMG for the P&D Album concerned (collectively, the "Third Party Marketing Costs"); provided, however, that UMG shall be required to incur Third Party Marketing Costs up to, but not in excess of, an amount equal to twenty-five percent (25%) of the amount of Net Billings that UMG reasonably projects (in UMG's sole reasonable good faith judgment, based on UMG's projected sales less returns and discounts of the P&D Album concerned, and without the deduction of any reserves) will be earned in connection with its distribution of the P&D Album concerned. Notwithstanding anything to the contrary set forth herein, all Third Party Marketing Costs hereunder shall be deemed Advances pursuant to the P&D Agreement and deducted from Net Billings or Net Licensing Billings, as applicable, in the computation of Grantor's share of Net Billings otherwise payable to Grantor hereunder.

7. **Exclusivity.** Notwithstanding anything to the contrary contained in the Kanye Agreements (including, without limitation, this P&D Amendment), during the P&D Term and the period one (1) year immediately following the expiration of the P&D Term (the "Exclusivity Period"), Grantor shall continue to furnish the recording services of Artist exclusively to UMG and neither Grantor nor Artist, or any Person deriving any rights from Grantor or Artist, shall at any time, do, or authorize any Person to do, anything inconsistent with, or which might diminish or impair, any of UMG's rights of exclusivity hereunder (including, but not limited to the rights and restrictions set forth in section 10 of the Recording Agreement). For the avoidance of doubt, the provisions of paragraph 2 of the P&D Agreement shall apply hereunder.

8. **Letters of Direction.** UMG will honor letters of direction from Grantor (in a format approved by UMG) to pay third party record royalties and mechanical royalties to producers, remixers and sample licensors due in connection with P&D Album sales and exploitations. For the avoidance of doubt, UMG shall not honor any letter of direction from Grantor to pay advances to third parties.



9. **Audit.** UMG acknowledges its receipt of Grantor's intent to audit the Recording Agreement accounting and royalty statements rendered for the periods commencing January 1, 2010 through December 31, 2013 (the "Audit"). UMG hereby agrees to a prospective extension of the contractual time to commence action, and a prospective tolling of the statute of limitations (whether contractual, statutory, or otherwise) if applicable, with respect to Grantor's claims relating to those royalty statements rendered by UMG in connection with the Audit. By providing this tolling agreement, UMG is not agreeing that any of the issues raised in the Audit are valid or that UMG owes any additional amounts in connection with the Audit, the royalty statements or otherwise. This tolling agreement will expire, unless further extended, on March 31, 2015, and does not extend or revive any limitations period (whether contractual, statutory, or otherwise) that have already expired as of June 12, 2014, and does not affect or limit any claim or defense that may already exist, including, without limitation, those based upon principles of estoppel, waiver and laches and/or relating to a previously limitations period that may have already expired as of June 12, 2014.

10. **Miscellaneous.**

(a) The parties hereto, or constitute either party the agent of the other, and neither party shall become liable for any representation, act or omission of the other which is contrary to the provisions of this paragraph 10(a).

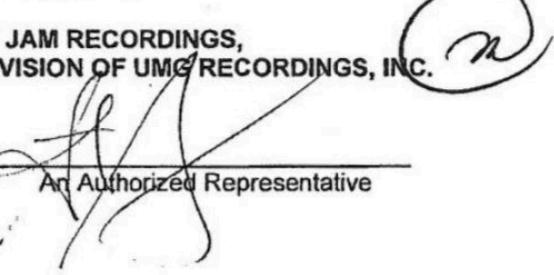
(b) This writing sets forth the entire understanding between the parties hereto with respect to the subject matter hereof, and no modification, amendment or waiver of this document shall be binding upon either party hereto unless confirmed by a written instrument signed by an authorized signatory of the party sought to be bound. No waiver of any provision of, or waiver of a default under this P&D Amendment or any failure to exercise rights hereunder shall prejudice the rights of either party thereafter, nor shall it form precedent for the future.

(c) Except as expressly or by necessary implication modified hereby, the P&D Agreement and all provisions thereof are hereby ratified and affirmed as being in full force and effect, without limitation or exception.

(d) This document may be signed in counterparts, and may be executed and delivered by facsimile, electronic mail (as a scanned attachment or pdf. file), which when taken together will have the same effect as if signed in its original form by all the parties.

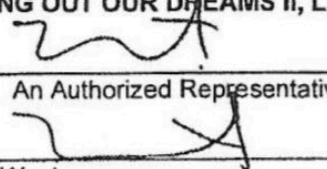
Very truly yours,

DEF JAM RECORDINGS,
A DIVISION OF UMG RECORDINGS, INC.

By: 
An Authorized Representative

AGREED AND ACCEPTED:

GETTING OUT OUR DREAMS II, LLC.

By: 
An Authorized Representative

Kanye West

Agreement made as of the 13th day of April, 2005, by and between ROC-A-FELLA RECORDS, LLC ("RAF"), at Worldwide Plaza, 825 Eighth Avenue, New York, New York 10019 and ROCK THE WORLD, LLC. ("Grantor") c/o West Entertainment Services, Inc., 1775 Broadway, 23rd floor, New York, New York 10019, Attn: Louise West, Esq. and Ronald Sweeney, Esq.

X. PREFACE

WHEREAS, Grantor and RAF have previously entered into a recording agreement (the "Current RAF Recording Agreement") with respect to the exclusive recording services of Kanye West ("Artist"), dated as of August 13, 2002, as amended, and in full force and effect as of the date hereof; and the parties hereto agree that such Current RAF Recording Agreement is hereby deemed superceded in all respects by this agreement between the parties.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PREMISES, COVENANTS AND PROMISES SET FORTH BELOW, IT IS HEREBY AGREED AS FOLLOWS:

1. TERM

1.01. The term of this agreement (the "Term") will begin on the date of the commencement of the Current RAF Recording Agreement and shall continue, unless extended as provided herein, for a first Contract Period (sometimes referred to as the "Initial Period") ending on the earlier of: (a) twelve (12) months after the delivery to RAF of the last Master Recordings that are required to be delivered hereunder in fulfillment of the Minimum Recording Obligation during the Initial Period; or (b) nine (9) months after the initial commercial release in the United States of the Album required to be delivered hereunder in fulfillment of the Minimum Recording Obligation during the Initial Period. Notwithstanding anything to the contrary contained herein, the months of December shall not be included when computing the ending date of the Initial Period.

1.02. (a) Grantor grants RAF six (6) separate options to extend the Term for additional Contract Periods (sometimes referred to as "Option Periods"). RAF may exercise each of those options by sending Grantor a notice at any time before the expiration of the Contract Period then in effect. If RAF exercises such an option, the Option Period concerned will commence upon the end of the current Contract Period (or, if RAF so advises, such period will begin on the date of such exercise notice) and end on the earlier of: (i) twelve (12) months after the delivery to RAF of the last Master Recordings that are required to be delivered hereunder in fulfillment of the Minimum Recording Obligation during such Option Period; or (ii) nine (9) months after the initial commercial release in the United States of the Album required to be delivered hereunder in fulfillment of the Minimum Recording Obligation during such Option Period. Grantor hereby acknowledges that, prior to the date hereof, RAF has previously, timely and properly exercised its option to extend the Term of the Current RAF Recording Agreement for the first Option Period during which Grantor is obligated to deliver and RAF is entitled to receive delivery of the second Album of the Minimum Recording Obligation (the "Second Album") (i.e., five (5) Option Periods remain as of the date hereof). Notwithstanding anything to



the contrary contained herein, the months of December shall not be included when computing the ending date of any Option Period.

(b) Notwithstanding anything to the contrary contained in this paragraph 1.02, if RAF has not exercised its option to extend the Term for a further Contract Period as of the date on which the then-current Contract Period (the "Current Contract Period") would otherwise expire, then the following procedure shall apply: (i) Grantor shall send RAF a written notice (an "Option Warning") stating that RAF has not yet exercised such option; (ii) RAF shall have the right to exercise such option at any time until the date (the "Extended Option Date") which is thirty (30) days after its receipt of the Option Warning; and (iii) the Current Contract Period shall continue until the earlier of (A) the Extended Option Date, or (B) the date of RAF's written notice (the "Termination Notice") to Grantor that RAF does not wish to exercise such option. Nothing contained herein shall limit RAF's right to send a Termination Notice to Grantor at any time, nor limit RAF's right to exercise an option at any time if Grantor fails to send RAF an Option Warning in accordance with this paragraph 1.02(b).

2. RECORDING OBLIGATION

2.01. RAF hereby engages Grantor to furnish the exclusive services of Artist to deliver to RAF Master Recordings as provided for herein, and to furnish the services of individual producers to produce such Master Recordings. Grantor warrants that during the Term Artist shall perform for the purpose of making Phonograph Records exclusively for Grantor and RAF.

2.02. During each Contract Period, Artist will perform for and Grantor will record and deliver a minimum number of Master Recordings ("Minimum Recording Obligation") specified in the following schedule:

<u>Contract Period</u>	<u>Minimum Recording Obligation</u>
Initial	"The College Dropout" Album
First Option	One (1) Album
Second Option	One (1) Album
Third Option	One (1) Album
Fourth Option	One (1) Album
Fifth Option	One (1) Album
Sixth Option	One (1) Album

Grantor has previously delivered to RAF the Album (the "First Album") in satisfaction of the Minimum Recording Obligation for the Initial Contract Period entitled "The College Dropout" Album.

3. PROCEDURES

3.01. Grantor shall be responsible for coordination of recording sessions and Grantor, Artist and the individual producers shall render their services subject to the terms and conditions hereof to the best of their ability and in accordance with first-class standards of performance for the production of Master Recordings in the Phonograph Record industry.



3.02. Prior to making each Recording, Grantor shall designate and submit to RAF for RAF's approval each of the following "Recording Elements", before proceeding further: (a) selection of the individual producer(s) of the Master Recordings hereunder, (b) selection of Compositions to be recorded, (c) specification of accompaniment, arrangement and copying services, and (d) selection of dates of recording and studios where recording is to take place. At least fourteen (14) days prior to the date of the first recording session for the recording of any Master Recordings, Grantor will submit to RAF for its written approval, a written proposed budget (the "Proposed Budget") setting forth, in itemized detail, all anticipated Recording Costs. Without limitation of the foregoing obligation to submit a budget and/or of RAF's right of approval with respect to each element thereof, an aggregate budget amount of no greater than eighty percent (80%) of an amount equal to the applicable Recording Fund shall not be disapproved by reason of its overall amount with respect to each Album of the Minimum Recording Obligation hereunder. In consultation with Grantor and subject to Artist's prior professional commitments, the booking of all studio time will be done by RAF. Grantor shall notify the appropriate local chapter of the American Federation of Musicians ("AFM") in advance of each recording session. Grantor shall allow RAF's representatives to attend all recording sessions hereunder at RAF's non-recoupable expense, unless such representatives are producers engaged by RAF pursuant to the provisions of paragraph 10.06(b) below (in which event the provisions of said paragraph shall apply), engineers, remixers or otherwise engaged in the recording process.

3.03. With respect to Master Recordings hereunder, Grantor shall simultaneously deliver to RAF stereo mixed down tape masters of the original multi-track recordings which are of a quality reflecting then-current "state of the art" analog and/or digital recording techniques and a final two-track equalized tape copy of such recordings, together with the following: (a) two (2) safety copies of the multi-track recordings and so-called "clean" versions of each Master, and (b) the following additional mixes of each Master Recording to be embodied on the "A-Side" of the first Single to be released in connection with a particular Album hereunder, if any such Single is to be so released: (i) Album mix (instrumental), (ii) 7-inch Single mix for TV, cold ending, (iii) 7-inch Single mix for TV (instrumental and background vocals only), cold ending, and (iv) a cappella versions (i.e., vocals only). It is expressly agreed that RAF will not reduce the Recording Fund for a particular Album by the Recording Costs incurred with respect to the delivery materials required solely under this paragraph 3.03(b) with respect to the first Single to be released with respect to such Album, if any. Such stereo mixed down tape masters shall be satisfactory for the production of reference discs for Phonograph Record manufacturing, equalized tape transfers for cassette manufacturing, digital transfers for compact disc and digital cassette manufacturing, and such elements of future technology as may hereinafter be utilized in the Phonograph Record industry. Upon RAF's reasonable request, Grantor shall re-record any Composition until a technically satisfactory Master Recording shall have been obtained; however, notwithstanding anything to the contrary expressed or implied in the preceding sentence, each Master Recording delivered hereunder shall embody performances by the Artist that (a) are "first class" (as that term is understood in the record industry), (b) are at least of the quality of the Artist's prior recorded performances and (c) embody performances of approximately the same number of Controlled Compositions as are performed on prior Phonograph Records hereunder. All tapes and work parts of whatever nature (including, without limitation, multi-tracks, out-takes or other tracks recorded during the Term) shall be delivered to RAF concurrently with delivery of the foregoing items under this paragraph 3.03 or maintained at a recording studio or other location designated by RAF in RAF's name and subject to RAF's control.



3.04. Grantor shall furnish RAF in writing with all information, consents and clearances required for the recording, manufacture and distribution of Phonograph Records hereunder including, without limitation, all licenses in respect of "Embodying Copyrighted Materials" (as defined in paragraph 10.05 below), the label copy (including song titles and any subtitles), names of composers and lyricists, complete publisher line, music performing rights organizations (e.g., BMI, ASCAP, etc.), timings, any credits to arrangers or accompanists, names of engineers, list of musicians with instruments played, list of all vocalists (and whether the vocalist is a featured or background vocalist), exact recording date(s), studio location(s), album liner credits, and any information required to be submitted to unions, guilds or other third parties. Notwithstanding the foregoing, Embodied Copyrighted Materials shall not include material embodied solely by RAF, The Island Def Jam Music Group or third parties engaged by RAF subsequent to Grantor's satisfactory delivery to RAF of such Master Recording(s) pursuant to the terms herein.

3.05. Subject to the terms of paragraph 10.12 below, as between Grantor and Artist, on the one hand, and RAF, on the other hand, RAF shall be responsible for preparing the actual paperwork in connection with all mechanical licenses and sample clearances required to be obtained from the copyright proprietors of Compositions embodied on Recordings to be delivered to RAF hereunder; provided that RAF's failure to prepare any such paperwork in any instance shall not be deemed a breach of this agreement. Notwithstanding anything to the contrary contained in the preceding sentence or elsewhere in this agreement, Grantor and Artist shall be solely responsible for securing and delivering to RAF fully-executed copies of any and all licenses in respect of Embodied Copyrighted Materials in connection with the Recordings to be delivered to RAF hereunder.

3.06. Artist's performances hereunder shall be reasonably consistent in concept and style, and each Master Recording delivered hereunder will be similar in general artistic concept and style to Master Recordings previously delivered hereunder. Grantor further agrees that none of the following shall apply in fulfillment of the Minimum Recording Obligation without RAF's prior written consent: so-called "live" Recordings; Multiple-Record Albums; Joint Recordings; instrumental Recordings; or Recordings which were not made in compliance with the provisions of this agreement. Without limiting the generality of the foregoing, any Multiple-Record Album delivered hereunder shall be deemed a single Album for the purposes of product delivery and payment of Advances. RAF agrees that it shall not require Grantor to deliver any Multiple-Record Album or Joint Recording as part of the Minimum Recording Obligation hereunder.

3.07. If Grantor or Artist shall for any reason whatsoever, unless caused solely by the acts or omissions of RAF or The Island Def Jam Music Group, delay the commencement of or be unavailable for any recording sessions for the Masters, Grantor shall, upon RAF's demand, pay RAF an amount equal to the expenses or charges paid or incurred by RAF by reason thereof. RAF may, without limiting RAF's other rights and remedies, deduct that amount from any and all monies otherwise payable to Grantor or Artist hereunder (excluding mechanical royalties payable hereunder).

3.08. RAF may, at its election, discontinue any recording sessions for any Master Recordings hereunder if in RAF's reasonable, good faith judgment the Recording Costs incurred or to be incurred will exceed one hundred and ten percent (110%) of the approved recording budget (excluding any in-pocket Advances) or if the Master Recordings being produced will not conform to the requirements set forth herein.



4. DELIVERY PROCEDURE

4.01. (a) (i) Each Album of the Minimum Recording Obligation shall be delivered to RAF no later than one hundred eighty (180) days following commencement of the applicable Contract Period hereunder.

(ii) Notwithstanding anything to the contrary contained herein, including without limitation, paragraphs 4.01(a)(i) and 12.01, delivery of all Master Recordings and other materials required to be physically delivered to RAF (accompanied by all related artwork, credits, sample, co-producer and side artist information, if applicable) in respect of the Second Album shall be delivered no later than May 24, 2005 (the "Target Date"). For the avoidance of doubt, the parties agree that satisfactory and timely delivery of the Second Album by the Target Date is a material inducement to RAF's entering into this New RAF Recording Agreement and is of the essence.

(iii) Reference is made to the amendment to the current RAF Recording Agreement dated as of May 19, 2004 between RAF and Grantor (the "Compilation Amendment"). For the avoidance of doubt, Grantor hereby ratifies and affirms the terms of the Compilation Amendment and agrees to deliver the Compilation Album (as defined therein) to RAF by September 30, 2005.

(b) Grantor will deliver to RAF, simultaneously with the delivery of the Master Recordings for each Album of the Minimum Recording Obligation, "camera-ready" artwork embodying Grantor's Symbol for use by RAF in accordance with the provisions of paragraph 5.01(b)(xvi) below.

(c) Notwithstanding anything to the contrary expressed or implied in paragraph 4.01(a) above, if Artist is performing on a tour consisting of at least fifteen (15) committed tour dates within one hundred and twenty (120) days following the commercial release of any Album of the Minimum Recording Obligation, and the performance of such tour would prevent or delay Grantor from delivering the applicable Album of the Minimum Recording Obligation to RAF within the applicable time period set forth herein, Grantor shall not be deemed in breach of this agreement solely as a result of the performance of such tour. Notwithstanding the foregoing and for the avoidance of doubt, no Album of the Minimum Recording Obligation shall be delivered to RAF later than two (2) years following delivery of all Master Recordings required to be delivered pursuant to Articles 3 and 4 hereof with respect to the previous Album of the Minimum Recording Obligation.

4.02. Satisfactory completion by Grantor of the procedures in Article 3 and this Article 4 shall be among the necessary conditions to determine whether any Recording has been delivered within the meaning of this agreement. RAF's election to make a payment which was to have been made upon delivery of Recordings or release such Recording shall not be deemed to be its acknowledgment that such delivery was properly made, and RAF shall not be deemed to have waived either its right to require such complete and proper performance thereafter or its remedies for Grantor's failure to perform in accordance herewith.

4.03. No Master Recordings delivered hereunder shall have been recorded earlier than six (6) months prior to delivery of such Master Recordings to RAF, nor shall any Master

Recording embody any Composition which has been previously recorded by Artist (whether as a group or an individual) (excluding any so-called "demonstration" recordings which have not been commercially exploited or manufactured in any quantity beyond a reasonable number of duplicates for demonstration purposes only). Grantor shall not commence recording any Album prior to ninety (90) days after delivery to RAF of Master Recordings constituting the immediately preceding Album.

4.04. (a) RAF shall send Grantor written notice of the date which RAF deems to be the applicable delivery date of Master Recordings hereunder. If Grantor disputes the date of such notice, Grantor shall give notice in writing to RAF within thirty (30) days of RAF's notice to Grantor. Grantor's failure to so notify RAF shall be deemed Grantor's acceptance of the date contained in RAF's notice.

(b) If Grantor has not received any notice from RAF pursuant to paragraph 4.04(a) above within thirty (30) days after the date Grantor deems to be such applicable delivery date, then Grantor shall notify RAF within ten (10) days after such thirty (30) day period of the date Grantor deems the applicable delivery date. RAF shall have the right to object to such date within thirty (30) days after receipt of Grantor's notice.

(c) If either party objects to the date contained in the notice given by the other party, RAF and Grantor shall mutually and in good faith agree in writing on the date to be deemed the delivery date. If the parties do not reach such agreement or if neither party gives notice of the delivery date of Master Recordings as provided above earlier than thirty (30) days prior to the date of initial release in the United States of such Master Recordings, then the delivery date of such Album shall be deemed to be thirty (30) days prior to such date of initial release for the purposes of determining the last day on which RAF may exercise its option for the next Contract Period.

5. RIGHTS

5.01. (a) All Master Recordings recorded during the Term which embody the performances of Artist, from the inception of the recording thereof, all artwork created for use on or in connection with Phonograph Records or other derivatives of such Master Recordings including, without limitation, for use in advertising and Artist Websites ("Artwork") and including, without limitation, Mobile Materials shall be deemed "works made for hire" for RAF. All such Master Recordings, from the inception of the recording thereof, and all Phonograph Records and other reproductions made therefrom, together with the performances embodied therein, and all Artwork, and all copyrights therein and thereto, and all renewals and extensions thereof, shall be entirely RAF's property, free of any claims whatsoever by Grantor, Artist, or any other Person, throughout the world and in perpetuity. Accordingly, RAF shall have the exclusive right to obtain registration of copyright (and all renewals and extensions) in those Master Recordings and in all Artwork and Mobile Materials, in RAF's name, as the owner and author thereof. If for any reason any such Master Recording(s) or Artwork are deemed not to be "works made for hire", then Grantor and Artist hereby irrevocably assign to RAF all of Grantor's and Artist's right, title and interest in and to such Master Recordings, Artwork and Mobile Materials (including, without limitation, all copyright therein, and all renewals and extensions thereof) in perpetuity throughout the world. Without limiting the generality of the foregoing, RAF and its subsidiaries, affiliates, licensees and designees shall have the sole and exclusive right, throughout the world and in perpetuity, to manufacture and/or distribute Records, by any

method(s) now or hereafter known embodying all or any portion(s) of the performances embodied on such Master Recordings and/or all or any portion(s) of any such Artwork and Mobile Materials; to publicly perform such Records; to import, export, sell, transfer, lease, license, transmit, rent, deal in or otherwise dispose of or exploit such Master Recordings, Artwork, Mobile Materials and Records derived therefrom throughout the world under any trademarks, trade names or labels designated by RAF; to edit or adapt such Master Recordings, Mobile Materials and/or Artwork to conform to the technological or commercial requirements of Phonograph Records in various formats now or hereafter known or developed, or to eliminate material which might subject RAF to any civil or criminal action; to exploit such Master Recordings for background music, synchronization in motion pictures and television soundtracks and other similar purposes, including, without limitation, use on transportation facilities, without any additional payments to Artist or Grantor other than as expressly set forth in paragraph 7.06 hereof; or, notwithstanding the provisions of this agreement, RAF and its subsidiaries, affiliates and licensees may, at their election, delay or refrain from doing any one or more of the foregoing. Without limiting the generality of the foregoing, it is acknowledged and agreed that the provisions of this paragraph 5.01(a) shall not be construed to grant RAF any ownership rights in or to the underlying Compositions embodied on the Master Recordings hereunder. Grantor will cause Artist to grant to RAF the ~~first right of refusal and~~ matching right to acquire the exclusive worldwide exploitation rights to the "Mobile Materials" defined in paragraph 13.13 of this agreement, in each instance, at the end of the term of each of Artist's current exclusive arrangements with third parties with respect to such rights.

(b) Notwithstanding anything to the contrary contained in this agreement, with respect to sales of Records in the United States during the Term (unless otherwise expressly set forth herein):

(i) During and after the Term, RAF shall not, without Grantor's prior written consent, release any so-called "outtakes" (i.e., preliminary or unfinished Master Recordings) recorded hereunder.

(ii) Except with respect to promotional Records, Audio-Visual Recordings or Records used in connection with public transportation carriers or facilities and consumer-created or -selected combinations of recordings, RAF shall not, during any one (1) calendar year of the Term, couple more than two (2) Master Recordings delivered hereunder with Master Recordings not embodying Artist's performances without Grantor's written consent, which shall not be unreasonably withheld.

(iii) During and after the Term, RAF shall not, without Grantor's prior written consent, use Master Recordings delivered hereunder on premium Records produced for use in promoting the sale of merchandise or commercial services other than Phonograph Records.

(iv) RAF shall not, without Grantor's prior written consent, which shall not be unreasonably withheld, release as a Budget Record any Album delivered hereunder as part of the Minimum Recording Obligation until the earlier of (the "Holdback Date"): (A) eighteen (18) months after the initial release of such Album; or (B) six (6) months after the release of any Album as a Mid-Price Record, provided, however, that if any such Budget Record is so released by RAF prior to the Holdback Date without Grantor's consent, RAF shall, as Grantor's sole remedy in such event, accrue to Grantor's account hereunder the so-

called "top-line" basic royalty rate set forth in paragraph 7.02 below (provided, that if such Album has been previously released as a Mid-Price Record in accordance with the provisions hereof, the royalty rate with respect to Mid-Price Records shall instead apply), then RAF shall not be deemed to have breached the terms of this subparagraph.

(v) RAF shall not, without Grantor's prior written consent, which shall not be unreasonably withheld, release as a Mid-Price Record any Album delivered hereunder as part of the Minimum Recording Obligation until twelve (12) months after the initial release of such Album provided, however, that if any such Mid-Price Record is so released by RAF during such twelve (12) month period and RAF accrues to Grantor's account hereunder the so-called "top-line" basic royalty rate set forth in paragraph 7.02 below, then RAF shall not be deemed to have breached the terms of this subparagraph.

(vi) RAF shall not sell Records derived from Master Recordings hereunder as "cut-outs" during a period of twenty-four (24) months from the date of initial United States release of such Records.

(vii) RAF shall not, without Grantor's prior written consent, license any Master Recordings delivered hereunder (A) for synchronization in any motion picture or television production and/or (B) in connection with any advertisements for products, services, religious or political causes (other than Phonograph Records or Artist's career).

(viii) RAF shall meaningfully consult with Grantor with respect to the "A" and "B" side of each Single, if any, derived from any Album of the Minimum Recording Obligation released by RAF, provided however, that RAF's decision with respect thereto shall control and provided further that any inadvertent failure by RAF to so consult with Grantor shall not be deemed a breach hereof.

(ix) RAF shall meaningfully consult with Grantor with respect to the initial marketing plan and initial United States commercial release date with respect to each Album of the Minimum Recording Obligation, provided however, that RAF's decision with respect thereto shall control and provided further that any inadvertent failure by RAF to so consult with Grantor shall not be deemed a breach hereof.

(x) The initial release of each Album of the Minimum Recording Obligation hereunder shall be on a label designated by RAF generally as a label for the majority of top artists of comparable style.

(xi) (A) During the Term, RAF shall not, without Grantor's prior written consent, which shall not be unreasonably withheld, release a "Greatest Hits" compilation Album (each, a "GH Album") consisting entirely of Artist's Master Recordings recorded hereunder, provided that Grantor's royalty account is in a recouped position. Notwithstanding the foregoing, and for the avoidance of doubt, RAF shall not release more than one (1) GH Album during the Term, without Grantor's prior written consent. In the event that RAF requests that Grantor cause Artist to record and deliver to RAF new Master Recordings, in excess of the Minimum Recording Obligation hereunder, for inclusion in a GH Album, the parties hereto agree to negotiate in good faith with respect to the budget for such new Master Recordings.

(B) If, during the Term (and subject to the provisions of



paragraph 5.01(b)(xi)(A) above), RAF elects to release one (1) or more GH Album(s), then RAF shall submit to Grantor a written proposal of the Master Recordings recorded hereunder to be included on such GH Album, and Grantor shall have the right to object to any or all of the Master Recordings proposed by RAF and to recommend alternative Master Recordings to be included within seven (7) business days after Grantor's receipt of RAF's proposal. In no event shall Grantor have the right to object to any Master Recording embodied in a Single which achieved a position in the "Top 100" chart of any national trade publication at any time prior to the initial release of such GH Album. If Grantor does so object to the inclusion in any such GH Album of any Master Recordings proposed by RAF, each of RAF and Grantor shall select one-half (1/2) of the Master Recordings so disputed, provided that if the number of disputed Master Recordings is an odd number, RAF shall have the right to select one more Master Recording than Grantor. If Grantor does not object to any of the Master Recordings proposed by RAF, or does not respond within said seven (7) business day period, the Master Recordings proposed by RAF shall be included on such GH Album.

(xii) RAF shall not, without Grantor's prior written consent, release or otherwise exploit any so-called live Recordings, joint recordings or demonstration recordings. For purposes of clarification, "joint recordings" shall not include Artist's Master Recording embodying a side artist performance by another recording artist.

(xiii) RAF shall not release any Album hereunder through a record club until six (6) months after the initial release of the applicable Album in the United States.

(xiv) With respect to sales of Records outside the United States, RAF will request its licensees outside the United States to comply with the provisions of this paragraph 5.01(b)(i), (ii), (iii) and (vii); if Grantor notifies RAF of sales of Records outside the United States in violation of the provisions of this paragraph 5.01(b)(i), (ii), (iii) and (vii), RAF will instruct its licensees to discontinue such violative sales, but neither RAF nor its licensees shall have any liability by reason of such sales occurring prior to RAF's receipt of such notice, and RAF shall have no liability by reason of such sales at any time.

(xv) In connection with the initial release of each Album of the Minimum Recording Obligation, Grantor shall have the right to consult with RAF regarding the preparation of the Artwork and the right to approve such Artwork, provided that such approval shall not be unreasonably withheld, it being acknowledged and agreed that Grantor's withholding of such approval based on its request for any changes to such Artwork which would require deviations from RAF's standard cost guidelines shall be deemed to be unreasonable, and provided further that the giving of such approval shall not conflict with the scheduled release date of the applicable Album. Grantor shall be responsible for arranging appointments with RAF, at a mutually convenient time, sufficiently far in advance of the scheduled release date of the applicable Album to allow Grantor to timely exercise the above right of consultation and approval. Grantor's approval shall be deemed given within seven (7) business days following Grantor's receipt of RAF's request therefor unless Grantor notifies RAF of Grantor's specific objections within such seven (7) business day period. After Grantor's exercise of such right of consultation and approval (or failure to exercise such right), RAF shall have the right to prepare and use such Artwork without any further right of consultation or approval by Grantor. All rights in and to any Artwork or related material furnished by Grantor or at Grantor's request, including the copyright and renewals and extensions thereof, shall be RAF's property throughout the world in perpetuity. All matters relating to trademarks, notices, including, without limitation,

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2005.04.13-Recording Agreement between Roc-A-Fella Records and Rock th...



- (xii) RAF shall not, without Grantor's prior written consent, release or otherwise exploit any so-called live Recordings, joint recordings or demonstration recordings. For purposes of clarification, "joint recordings" shall not include Artist's Master Recording embodying a side artist performance by another recording artist.
- (xiii) RAF shall not release any Album hereunder through a record club until six (6) months after the initial release of the applicable Album in the United States.
- (xiv) With respect to sales of Records outside the United States, RAF will request its licensees outside the United States to comply with the provisions of this paragraph 5.01(b)(i), (ii), (iii) and (vii); if Grantor notifies RAF of sales of Records outside the United States in violation of the provisions of this paragraph 5.01(b)(i), (ii), (iii) and (vii), RAF will instruct its licensees to discontinue such violative sales, but neither RAF nor its licensees shall have any liability by reason of such sales occurring prior to RAF's receipt of such notice, and RAF shall have no liability by reason of such sales at any time.
- (xv) ~~In connection with the initial release of each Album of the~~

UPC symbols (i.e., bar-coding), or disclosures deemed advisable by RAF's attorneys, and any matter other than the Album cover layout and the picture or art to be used on the cover, will be determined in RAF's sole discretion.

(xvi) (A) With respect to the initial release of Records derived from the Master Recordings delivered hereunder, RAF will print Grantor's logo or other trade symbol designated by Grantor (individually and collectively, the "Symbol") on the packaging of such Records and all one-quarter (1/4) page or larger trade advertisements where the RAF logo also appears relating solely to Artist. The size of the Symbol on such packaging and advertisements shall be no less than the same size as the nearest RAF logo. The placement of the Symbol on such packaging and advertisements shall be determined by RAF, in its sole discretion. If RAF fails to comply with the preceding sentences in any instance, its sole obligation to Grantor shall be to rectify the failure in materials prepared after RAF's receipt of notice of such failure from Grantor. If the artwork embodying such logo or Symbol is not properly and timely delivered to RAF in accordance with the provisions of Article 4 above, RAF shall have no obligation at all to utilize such logo or Symbol.

(B) Each Symbol, whenever used by RAF or its licensees, will be deemed included as an item of "Materials," as defined in paragraph 10.05 below, and shall be subject to all of Grantor's warranties, representations and indemnities set forth in Article 10. The registration and maintenance of the Symbol shall be Grantor's sole responsibility, and at Grantor's sole expense. Grantor shall cooperate with RAF if RAF deems it advisable for RAF and/or its licensees to become a "registered user" of the Symbol, and Grantor shall execute any documents necessary to evidence the foregoing. RAF may refrain from using the Symbol at any time if, in RAF's sole, good faith, reasonable judgment, such use might violate any law or the rights of any Person; provided that if Grantor remedies such potential violation to RAF's satisfaction, RAF shall resume use of the Symbol as set forth herein, on a prospective basis.

(xvii) Following the delivery of any Album of the Minimum Recording Obligation pursuant to the terms herein, RAF shall not, without Grantor's prior written consent, resequence or change the title of any such Album.

(xviii) RAF shall not, in connection with the initial release of Records embodying Master Recordings hereunder, edit or remix the Master Recordings hereunder except as necessary for so-called "specialty" remixes (i.e., dance mixes, etc.), the release of Singles, or non-disc configurations, or to eliminate material which might, in the opinion of RAF's counsel, constitute a defamation, libel or violate or infringe upon any right, including, without limitation, the right of privacy, of any Person; provided, however, that RAF shall offer to Grantor the first opportunity to so edit the Master Recordings (unless same would interfere with a scheduled release date), which editing shall be completed within five (5) days following RAF's notice to Grantor, and which offer shall be deemed rejected if Grantor does not respond and/or complete such editing within said five (5) day period. If Grantor does not so edit such Master Recordings within said five (5) day period, RAF shall have the right to so edit such Master Recordings without further consultation with Grantor.

(xix) The provisions of paragraph 5.01(b) above shall not apply if Grantor has not fulfilled Grantor's then-current delivery obligations described in Articles 3 and 4 above with respect to any Master Recordings hereunder within ninety (90) days following the time periods set forth in such Articles.



(c) Provided that Grantor has fulfilled all of Grantor's material obligations hereunder and the Master Recordings for each Album of the Minimum Recording Obligation hereunder are delivered within sixty (60) days following the time periods set forth in Article 4 above, if RAF does not commercially release each Album of the Minimum Recording Obligation in the United States on or before one hundred twenty (120) days following the date of delivery to RAF of such Album, then Grantor may, within forty-five (45) days following the expiration of such one hundred twenty (120) day period, give RAF notice of such failure to release such Album. RAF shall either cure such failure within sixty (60) days after RAF's receipt of such notice, or Grantor shall have the right by written notice to RAF within forty-five (45) days following the expiration of such sixty (60) day period to terminate the Term of this agreement. In the event of such termination, the parties shall be deemed to have fulfilled all of their obligations hereunder except for those obligations which survive the end of the Term, such as warranties, re-recording restrictions, and the obligation to pay royalties, if payable, and such termination shall be Grantor's sole remedy for RAF's failure to release Records derived from the said Master Recordings. If Grantor fails to give RAF either of the notices specified in this paragraph, Grantor's right to terminate hereunder shall lapse with respect to such Album. The running of each of the aforementioned one hundred twenty (120), forty-five (45) and sixty (60) day periods will be suspended for the period of any suspension of the Term of this agreement. For purposes of computing said periods, the month of December shall not be counted. For purposes of this paragraph 5.01(c), an Album shall be deemed released when RAF or its licensee has made it available for sale in the United States.

(d) Provided that Grantor has fulfilled all of Grantor's material obligations hereunder and the Master Recordings for each Album of the Minimum Recording Obligation are delivered within sixty (60) days following the time periods set forth in Article 4 above, if RAF does not commercially release each Album of the Minimum Recording Obligation within one hundred twenty (120) days following the date of entry of such Album in the "TOP 60" ("TOP 30" in respect of Japan and The United Kingdom) of the Billboard "Top 200" chart, or, solely in the event that Billboard ceases to exist or is superseded as the leading United States national music industry trade journal with respect to such chart positions, such superseding journal's equivalent to the Billboard "Top 200" chart, in the territories of Japan, The United Kingdom, Canada, Germany and France (the "Release Territories"), then Grantor may give RAF notice, within forty-five (45) days following the expiration of such one hundred twenty (120) day period, of such failure so to release such Records in a particular Release Territory, and RAF shall have a period of sixty (60) days following the date of such notice to cure such failure. If RAF does not cure such failure within said sixty (60) day period, Grantor will have the option, which may be exercised by giving RAF written notice within forty-five (45) days following the end of such sixty (60) day period, to require RAF to enter into an agreement with a licensee designated by Grantor, which licensee is actually engaged in the business of manufacturing and distributing Records in the Release Territories, authorizing such licensee to manufacture and distribute Records derived from the Master Recordings not released in accordance with this paragraph 5.01(d) in the applicable Release Territory in which such Records were not released. Grantor's sole remedy for RAF's failure to release an Album in the applicable Release Territory(ies) pursuant to this paragraph 5.01(d) shall be the exercise of Grantor's option hereunder. If Grantor fails to give RAF either of the notices specified in this paragraph 5.01(d), Grantor's rights under this paragraph 5.01(d) will lapse with respect to such Album. Fifty percent (50%) of all revenues actually received by RAF under such licenses will be credited to Grantor's royalty account under this agreement. Each such license agreement will provide for such compensation for the license



as Grantor negotiates with the licensee, and will contain such other provisions as RAF shall reasonably require, including but not limited to the following:

(i) The licensee will be required to deliver to RAF all consents required by RAF, including the consent of the Artist, and all agreements which RAF may require for any third party to look to the licensee, and not to RAF, for the fulfillment of any obligations arising in connection with the manufacture or distribution of Records under the license. The licensee will also become a first party to the Phonograph Record Manufacturers' Special Payments Fund Agreement with the American Federation of Musicians, or any successor agreement then in effect. The license agreement will not become effective until the licensee has complied with all the provisions of this subsection 5.01(d)(i).

(ii) The licensee will make all payments required in connection with the manufacture, sale or distribution, by parties other than RAF, in the applicable Release Territory of Records made from those Master Recordings after the effective date of the license, including, without limitation, all royalties and other payments to performing artists, producers, owners of copyrights in musical compositions, the Music Performance Trust Fund and Special Payments Fund, and any other unions and union funds, and will authorize the applicable Fund Administrator's designated agent to audit Grantor's books and records with respect to the sale and/or distribution of such Records. The licensee will comply with all applicable rules and regulations covering any use of the Master Recordings by the licensee.

(iii) No warranty or representation will be made by RAF in connection with the applicable Master Recordings, the license, or otherwise. Grantor and the licensee will indemnify and hold harmless RAF and its licensees against all claims, damages, liabilities, costs, and expenses, including reasonable counsel fees, arising out of any use of the Master Recordings or exercise of such rights by the licensee (subject to the terms of paragraph 10.10 below).

(iv) RAF will instruct its licensees in the applicable Release Territory not to manufacture Records derived from the Master Recordings licensed to the licensee. If the licensee notifies RAF of such manufacture RAF will instruct its licensees to discontinue it, but neither RAF nor its licensees shall have any liability by reason of such manufacture occurring before RAF's receipt of such notice, and RAF shall have no liability by reason of such manufacture at any time.

(v) Each Record made under the license will bear a sound recording copyright notice identical to the notice used by RAF for initial United States release of the Master Recordings concerned, or such other notice as RAF shall require, but those Records will not otherwise be identified directly or indirectly with RAF.

(vi) RAF shall have the right to examine the books and records of the licensee and all others authorized by the license to manufacture or distribute Records under the license, for the purpose of verifying the accuracy of the accountings rendered to RAF by the licensee.

(vii) The licensee will not have the right to authorize any other party to exercise any rights without RAF's prior written consent.



(viii) RAF and its licensees will have the continuing right at all times to manufacture and sell recompilation Albums which may contain the Master Recordings. A recompilation Album is an Album, such as a "Greatest Hits" or "Best Of" Album, containing Master Recordings previously released in different Album combinations.

The running of each of the one hundred twenty (120) and sixty (60) day periods described in paragraph 5.01(d) above will be suspended for the period of any suspension of the Term of this agreement. For purposes of computing said periods, the month of December shall not be counted. For purposes of this paragraph 5.01(d), an Album shall be deemed released when RAF or its licensee has made it available for sale in the Release Territory concerned.

(e) If Grantor exercises Grantor's option described in paragraph 5.01(d) above in a timely manner with respect to any two (2) consecutive Albums of the Minimum Recording Obligation which are subject to the provisions of paragraph 5.01(d) above, then Grantor shall have the right, by written notice to RAF within sixty (60) days following Grantor's exercise of Grantor's said option described in paragraph 5.01(d) with respect to the second such Album to terminate the Term of this agreement with respect to the particular Release Territory where such Albums were not released, and RAF will deliver to Grantor an agreement licensing to Grantor the right to exploit in the applicable Release Territory where such Albums were not released, the Master Recordings embodied in such unreleased Albums and all Master Recordings embodied in Albums of the Minimum Recording Obligation hereunder subsequent to such second unreleased Album, subject to such terms and conditions as RAF may reasonably require, and provided that all the provisions of paragraph 5.01(d) as same apply to Grantor, the licensee under the applicable license agreement under paragraph 5.01(d) shall apply with respect to Grantor in such Release Territory. Fifty percent (50%) of the gross proceeds in any form whatsoever derived by Grantor from the exploitation of the said Master Recordings in the Release Territory wherein RAF's rights hereunder are terminated pursuant to this paragraph 5.01(e) will be paid to RAF promptly following Grantor's receipt of the proceeds concerned (i.e., fifty percent (50%) shall be paid directly to Grantor and no monies will be credited to Grantor's royalty account). RAF will have the right to examine Grantor's books and records therefore solely for the purpose of verifying the accuracy of the accountings rendered by Grantor to RAF under this paragraph. All agreements entered into by Grantor with others regarding the exploitation of such rights will require them to pay such sums directly to RAF and furnish RAF on a timely basis with duplicate copies of all accountings rendered by them to Grantor, and will provide for the examination of their books and records by RAF. RAF will remit to Grantor any overpayments made to it by reason of the preceding sentence. This termination with respect to the applicable Release Territory shall be Grantor's sole remedy for RAF's failure to release said Albums in such Release Territory. If Grantor fails to give either of the required notices, Grantor's right to so terminate shall lapse. The running of the time periods described in this paragraph 5.01(e) will be suspended for the period of any suspension of the Term hereof.

5.02. (a) Without limiting the generality of paragraph 5.01, RAF shall have the exclusive right to publicly perform and otherwise to utilize Artist's performances in connection with Audio-Visual Recordings for promotional and commercial purposes, including without limitation, release on Audio-Visual Devices. Grantor shall cause Artist to perform for said Recordings upon RAF's request provided that Artist shall not be required to perform in any Contract Period for the recording of Audio-Visual Recordings greater in playing time than the playing time of the sound Recordings constituting the Minimum Recording Obligation in such

Contract Period, nor shall Artist be required to perform for any so-called "long-form" Audio-Visual Recording without Artist's consent. The term "long-form" Audio-Visual Recording shall mean a full length audio-visual program, as such term is generally understood in the recording industry, and specifically excludes any compilation of so-called "short-form" or promotional Audio-Visual Recordings. If Grantor or Artist shall for any reason whatsoever delay the production of any Audio-Visual Recording, or if Artist is not available for any scheduled appearance relating to the production of Audio-Visual Recordings, Grantor shall pay to RAF, upon RAF's demand, an amount equal to the expenses or charges paid or incurred by RAF by reason thereof. RAF may, without limiting RAF's other rights and remedies, deduct that amount from any and all monies otherwise payable to Grantor or Artist hereunder.

(b) RAF and Grantor shall mutually approve the director, budget, scheduling and concept of each "short-form" Audio-Visual Recording produced hereunder.

(c) Grantor's and Artist's compensation in connection with Artist's performances for Audio-Visual Recordings, including, without limitation, those performances referred to in paragraph 10.07 hereof, shall be limited to the royalties payable to Grantor pursuant to Articles 7 and 9 below and to any minimum amounts required to be paid for such performances pursuant to any collective bargaining agreements pertaining thereto, provided, however, that with respect to amounts required to be paid pursuant to any collective bargaining agreement, Grantor and Artist hereby waive any right to receive such compensation to the extent that such right may be waived in connection with any applicable collective bargaining agreement.

5.03. Grantor shall execute and deliver promptly to RAF any instruments of transfer and other documents RAF may reasonably request to carry out the purposes and effects contemplated by this agreement. If Grantor fails or refuses to deliver any such executed document within ten (10) business days following RAF's request therefor, each of Grantor hereby irrevocably appoints RAF as Grantor's and Artist's agent and attorney-in-fact to sign any such documents in Grantor's name and to make appropriate disposition of them consistent with this agreement and irrevocably authorizes RAF to proceed, whether in RAF's name or Grantor's name, with any appropriate action necessary to enforce RAF's rights hereunder (including, without limitation, all rights of exclusivity). Grantor acknowledges that RAF's agency and power are coupled with an interest. RAF shall, from time to time upon Grantor's request in each instance, endeavor to provide Grantor with copies of documents signed by RAF pursuant to this paragraph 5.03, provided that a failure to provide any such document shall not be deemed a breach hereof.

5.04. (a) Subject to the terms of paragraph 5.04(b) below, Grantor hereby grants to RAF the perpetual right, without any liability to any Person, to use and to authorize other Persons to use Grantor's name and approved biographical material and the names (including any professional names or sobriquets), and any approved likenesses, whether or not current, (including pictures, portraits, caricatures and stills from any Audio-Visual Recordings made hereunder), approved autographs (including facsimile signatures) and approved biographical material of or relating to Artist and any producer of Master Recordings hereunder solely for purposes of advertising, promotion and trade (including, without limitation, the distribution of promotional merchandise subject to the terms herein) relating to or in connection with Artist, the making and exploitation of Records hereunder, including, without limitation, in connection with Mobile Materials and in general goodwill advertising. Each of Grantor and Artist warrants and

represents that Grantor and/or Artist owns the exclusive rights to so use such names, likenesses, autographs and biographical materials and that the use of same will not infringe upon the rights of any Person. Without limiting the foregoing, RAF shall have the right (but not any obligation) to cause a search to be instituted to determine whether the use of any of the professional names or sobriquets proposed to be used by Artist or Grantor hereunder may infringe upon the rights of any Person. If, in the opinion of RAF's counsel, the use of any such professional name or sobriquet may infringe upon the rights of any Person, or if any Person challenges RAF's, Grantor's or Artist's right to use any such professional name or sobriquet, then RAF may, at its election and without limiting its rights, require Grantor to cause Artist to adopt another professional name or sobriquet approved by RAF without awaiting the determination of the validity of such challenge. Furthermore, during the Term, Artist will not change the name by which Artist is professionally known without the prior written approval of RAF, not to be unreasonably withheld.

(b) Grantor shall supply RAF with the biographies and likenesses of Artist and the individual producer(s) of Master Recordings hereunder, which biographies and likenesses are intended for use solely in connection with the release and distribution of Master Recordings hereunder, and shall be delivered to RAF by no later than the date of delivery of the relevant Album required to be delivered in fulfillment of the Minimum Recording Obligation in each Period. Grantor further agrees to supply to RAF, promptly after RAF's request, additional and/or updated biographies and likenesses. All likenesses and biographies supplied by Grantor shall be deemed approved by Grantor. In the event RAF desires to use any likenesses not supplied by Grantor, or biographical material substantially different from that supplied by Grantor, then Grantor shall have the right to approve same (unless such approval would interfere with a scheduled release date for the Master Recordings), which approval shall not be unreasonably withheld and shall be deemed to have been given within seven (7) business days following Grantor's receipt of such material, unless Grantor notifies RAF to the contrary within said seven (7) business day period. Notwithstanding the foregoing, any inadvertent failure by RAF to obtain the aforesaid approval shall not be deemed a breach of this agreement, provided RAF rectifies such failure in future manufacturing "runs" of materials prepared after RAF's receipt of notice of such failure from Grantor.

(c) For the avoidance of doubt, no commercial merchandising rights (as such term is customarily used in the recording industry) are granted to RAF hereunder.

(d) RAF agrees that Grantor shall have the non-exclusive right to use and to authorize the use by others of cover artwork of Albums embodying solely the Master Recordings in connection with the exploitation of merchandising rights, and further agrees to supply to Grantor, at Grantor's sole cost, duplicate negatives of such artwork for such purpose at Grantor's request. Grantor's exploitation of such merchandising rights shall be subject to any and all restrictions of which RAF may advise Grantor, and Grantor shall exercise the merchandising rights only in accordance with such restrictions. In no event shall Grantor have the right to reproduce any trademark, trade name or logo of RAF without RAF's express written consent, which may be withheld for any reason whatsoever. For the rights granted to Grantor pursuant to this paragraph 5.04(d), Grantor agrees that it shall do nothing to derogate from RAF's copyright in said artwork, and Grantor agrees further to reproduce RAF's copyright notice at all times in conjunction with reproduction of such artwork. Grantor shall pay to RAF fifty percent (50%) of the total amount of actual, out-of-pocket expenses incurred or paid by RAF in connection with the preparation of such Artwork, plus one hundred percent (100%) of any costs which become

due or payable as a result of Grantor's exploitation or exercise of any merchandising and shall pay such monies to RAF on or before ten (10) days following Grantor's receipt of the duplicate negatives.

5.05. (a) Grantor and Artist hereby grant to RAF and its designees an exclusive license (subject to the terms herein) during the "License Period" (as defined below), without any liability to any Person, to do the following: (i) to create, maintain and host one (1) music-related Website relating to Artist in connection with the marketing and exploitation of Records hereunder (the "RAF Artist Website"); and (ii) to use the name "kanyewest.xxx" and/or any and all variations thereof which embody Artist's name or use a name similar to Artist's name as Uniform Resource Locators ("URLs"), addresses and/or domain names ("Artist Domain Name") in connection with the RAF Artist Website. As used in the preceding sentence ".xxx" shall mean each and every so-called "second level" domain name now in existence or hereafter implemented including without limitation, ".com", ".net", ".org" together with territorial identifiers, e.g., ".uk". For the avoidance of doubt, RAF agrees that, as between RAF, Grantor and Artist, Grantor or Artist (as applicable) shall retain ownership of the Artist Domain Name and all rights therein, subject to the license herein granted to RAF. Grantor represents and warrants that Grantor or Artist has registered the Artist Domain Name as a URL and will maintain such registration during the Term.

(b) Notwithstanding the provisions of paragraph 5.05(a) above, but without limiting RAF's right during and after the Term to create, maintain and host the RAF Artist Website in connection with Artist's services hereunder, the License Period shall expire nine (9) months following the end of the Term. Upon the expiration of the License Period, the license herein granted to RAF shall automatically expire, and, accordingly, RAF's rights to use the Artist Domain Name as a website address shall immediately cease. RAF shall, however, retain the non-exclusive right to continue to create, maintain and host an Artist Website after the expiration of the License Period, provided such Artist Website is located at a URL other than the Artist Domain Name and such Artist Website is used solely to promote and market Artist's Records which were delivered to RAF during the Term.

(c) (i) Notwithstanding the provisions of paragraph 5.05(a) above, during the License Period, Grantor or Artist shall have the right to register, host and maintain one (1) mutually approved Artist Website located at an Artist domain name (the "Excluded Site"), provided, however, that during the License Period neither Grantor nor any Person deriving any rights from Grantor shall use, authorize or endorse any such Artist Website as the "official" Artist Website in connection with Artist's recording career, and provided further that during the License Period, RAF shall have the right to require Grantor or Artist to include on the Excluded Site so-called "hyperlinks" to Artist Domain Name and/or any RAF Website. For the avoidance of doubt, the provisions of paragraph 10.10 below shall apply with respect to the Excluded Site.

(ii) Notwithstanding the foregoing provisions of paragraph 5.05(c)(i) above, RAF hereby agrees that at Grantor's request, RAF will include a hyperlink from the RAF Artist Website to the Excluded Site, if any (provided such Excluded Site is not directly competitive with RAF's normal course of business).

5.06. (a) With respect to the RAF Artist Website, Website Material and ECD Material, all artwork and other creative elements produced in connection therewith, including, without limitation, production personnel, shall be mutually approved by Grantor and RAF,



provided, however, that any Artwork or other materials furnished or approved by Grantor or Artist for any other purpose hereunder shall be deemed approved by Grantor and Artist for use in connection with the RAF Artist Website, Website Material and ECD Material and provided further that RAF shall have the right to include on the RAF Artist Website and within ECD Material so-called "hyperlinks" to the Artist Domain Name and other URLs in RAF's sole discretion (subject to the terms set forth herein). RAF shall not be required to seek Grantor's or Artist's approval of any hyperlink to the URL for a Record retailer (accordingly, all other "hyperlinks" shall be approved by Grantor). In addition, RAF hereby agrees that, except as provided in the following sentence, RAF will not place or authorize the placement of any banners or other advertisements directly on the RAF Artist Website without Grantor's or Artist's prior consent. Grantor and Artist expressly acknowledge and agree, however, that, notwithstanding the foregoing restriction, RAF shall have the right to place on the RAF Artist Website banners and/or advertisements for RAF, its parent and affiliated companies, and/or to any other seller of phonograph records designated by RAF, and to place advertising, banners and/or hyperlinks on so-called RAF Frames. RAF will consult Grantor with respect to the "look and feel" of the user interface of the RAF Artist Website.

(b) RAF is and will be the sole owner of all worldwide rights in and to all ECD Material and Website Material created hereunder in connection with the RAF Artist Website, all individual elements thereof, and the selection and arrangement of such elements, including the worldwide copyrights therein and thereto, throughout the world and in perpetuity. Notwithstanding anything to the contrary contained in this paragraph 5.06(b), to the extent Grantor or Artist (and not RAF) creates and owns the copyright in any materials that are provided by Grantor or Artist to RAF for use on the RAF Artist Website (other than those materials to be generally delivered by Grantor to RAF pursuant to the terms of this agreement), then, as between Grantor or Artist and RAF, Grantor or Artist shall own the copyright in any materials so licensed by Grantor or Artist to RAF for use hereunder.

(c) Grantor will issue (or cause the music publishing companies having the right to do so to issue) (i) worldwide, perpetual synchronization licenses, and (ii) worldwide, perpetual licenses for public performance to RAF on terms customarily applied by RAF under comparable circumstances (provided that such licenses shall be issued at no cost for promotional exploitation) for the use of all Compositions in Website Material and ECD Material effective as of the commencement of production of the applicable Website Material or ECD Material (and Grantor's execution of this agreement constitutes the issuance of such licenses by Grantor, Artist and any music publishing company that is owned or controlled by Grantor, Artist or any Person owned or controlled by Grantor or Artist). In the event that Grantor fails to cause any such music publishing company to issue any such license to RAF, or if RAF is required to pay any fee to such music publishing company in order to obtain any such license, RAF will have the right to deduct the amount of such license fee from any and all monies (excluding future Advances that may become payable to Grantor pursuant to paragraph 6.01(a) hereof) otherwise payable to Grantor hereunder.

(d) Upon RAF's reasonable request, and subject to Artist's prior professional commitments, Artist will be available (at RAF's sole non-recoupable expense) for a reasonable number of on-line "chats" hosted on the RAF Artist Website.

(e) Grantor will supply RAF, at RAF's request and sole non-recoupable expense, with Website Material for possible inclusion on the RAF Artist Website, including,

without limitation and if reasonably available, transcripts of published interviews of Artist, transcripts of articles relating to Artist, photographs, and other similar materials; provided that if any such Website Materials (other than those materials to be generally delivered by Grantor to RAF pursuant to the terms of this agreement) are requested by RAF for use on the RAF Artist Website (and not requested by Grantor), then RAF shall undertake to clear the rights to use such Website Materials and shall hold Grantor harmless in connection therewith).

(f) Unless otherwise explicitly set forth herein, RAF will have the same rights in and to the RAF Artist Website, Website Material and ECD Material as are otherwise applicable hereto with respect to Master Recordings made hereunder (subject to the same terms and conditions in connection therewith, where actually applicable), including, without limitation, the right to use and publish, and to permit others to use and publish, Grantor's and Artist's name and likeness and/or, without limitation, Mobile Materials in the RAF Artist Website (subject to paragraph 5.04(b) above), Website Material and ECD Material and for advertising Records and other exploitations of Masters hereunder.

(g) RAF shall have the obligation to reasonably create, host and maintain the RAF Artist Website during the License Period in a "first-class" manner. RAF shall use its best reasonable efforts to update the RAF Artist Website when new and pertinent information in connection with the Artist becomes available to RAF. In the event RAF does not maintain or update the RAF Artist Website as set forth herein, and RAF has not updated the RAF Artist Website within sixty (60) days following receipt of Grantor's written notice of RAF's failure to do so, the License Period shall be deemed to have expired. For the avoidance of doubt, in the event the License Period expires pursuant to this paragraph 5.06(g), no other provisions of this agreement (other than paragraphs 5.05 and 5.06) shall be affected.

6. ADVANCES

6.01. Provided Grantor has fulfilled Grantor's material obligations hereunder, RAF shall pay, as Advances to be charged against and be recoupable from royalties (excluding mechanical royalties, except as expressly permitted herein) accruing to Grantor's account hereunder, the following:

(a) All Recording Costs in the approved budget. Grantor shall be responsible for the payment of all Recording Costs or other costs in connection with making Master Recordings which costs have not been specifically approved in writing by RAF. If RAF elects to pay any such costs for which Grantor is responsible, then RAF shall have the right to demand reimbursement therefor from Grantor (and Grantor shall immediately make such reimbursement) and/or the right to deduct such costs from any and all monies, excluding mechanical royalties, otherwise payable to Grantor hereunder.

(b) (i) (A) Grantor hereby acknowledges prior receipt of any and all advances payable in connection with the First Album.

(B) With respect to the Second Album, RAF will pay to Grantor an Advance equal to the excess of Three Million Five Hundred Thousand Dollars (\$3,500,000) (the "Second Album Recording Fund") over Recording Costs for such Album. Such Second Album Recording Fund shall be payable as follows: (1) Two Million Three Hundred Thousand Dollars (\$2,300,000) (the "Second Album Execution Advance") to Grantor



promptly following the complete execution hereof; (2) the balance, if any, after deduction of all Recording Costs paid or incurred by RAF in connection with such Second Album promptly following delivery of all Master Recordings and other materials required to be delivered to RAF pursuant to Articles 3 and 4 in connection with such Second Album. The balance of the Recording Fund shall be administered by RAF and if, after deduction of all Recording Costs paid or incurred by RAF in connection with such Second Album, with an allowance for a reasonable provision for recording costs (including initial so-called "sample payments") not yet billed or accrued, there remains any balance of the Recording Fund, it shall be paid to Grantor promptly following delivery of all Master Recordings and other materials required to be delivered to RAF pursuant to Articles 3 and 4 in connection with the Second Album. The Second Album Recording Fund shall be recoupable from any and all royalties, excluding mechanical royalties, otherwise payable to Grantor under the Agreement. Notwithstanding anything expressed or implied to the contrary herein, if a commercially satisfactory Second Album is physically delivered to RAF (accompanied by all related artwork, credits, sample, co-producer and side artist information, if applicable) by the Target Date, then RAF will increase the Second Album Recording Fund by Seven Hundred Fifty Thousand Dollars (\$750,000) (the "Timely Delivery Advance"). The Timely Delivery Advance shall be payable, less any actual and anticipated overages of the Second Album Recording Fund, promptly following the Target Date.

(C) Provided that Grantor and Artist are in compliance with all of their respective obligations under the Agreement, with respect to the Second Album, in addition to any other Advances payable to Grantor hereunder in connection therewith, RAF will pay to Grantor, promptly following Grantor's notice to RAF that the applicable thresholds have been achieved and RAF's confirmation thereof, the following further Advances (if applicable):

(1) Two Hundred Fifty Thousand Dollars (\$250,000), if, as of the last day of the eighteenth month following the initial United States release of the Second Album^A, such Second Album has achieved world-wide sales of three million (3,000,000) units.

(2) Five Hundred Thousand Dollars (\$500,000), if, as of the last day of the eighteenth month following the initial United States release of the Second Album, such Second Album has achieved world-wide sales of three million five hundred thousand (3,500,000) units.

(D) Provided that Grantor and Artist are in compliance with all of their respective obligations under the Agreement, if sales of the First Album through Normal Retail Channels in the United States (as reported by Soundscan) exceed three million (3,000,000) units within eleven (11) months following the date of this agreement, then RAF will pay to Grantor an additional Advance in the amount of Five Hundred Thousand Dollars (\$500,000) promptly following RAF's confirmation that such sales threshold was attained; provided that and subject to the Second Album having been delivered to RAF by the Target Date as provided herein.

(E) Notwithstanding anything expressed or implied to the contrary in paragraph 8.01 of this agreement, promptly following the complete execution hereof, RAF will pay Grantor an Advance of Three Hundred Thousand Dollars (\$300,000) against so-called "pipeline" royalties attributable to the First Album, including, but not limited to, royalties in respect of the royalty accounting period ending December 31, 2004.



(iii) (A) With respect to each Album of the Minimum Recording Obligation subsequent to the Second Album, if any, RAF shall pay to Grantor an Advance equal to the excess of the amount ("Recording Fund") set forth below over Recording Costs for each such Album. The Recording Fund for each such Album shall be that amount, as reflected in an estimated trial balance prepared by RAF as of the end of the month prior to the month in which the Master Recordings constituting the applicable Album are initially required to be delivered hereunder, equal to seventy percent (70%) of the lesser of: (1) the royalties earned on Net Sales through Normal Retail Channels in the United States of the immediately preceding Album of the Minimum Recording Obligation, or (2) the average of the royalties earned on Net Sales through Normal Retail Channels in the United States of the immediately preceding two (2) Albums of the Minimum Recording Obligation (if there are two (2) such Albums) which calculation shall include RAF's good faith estimate of so-called "pipeline" royalties. For the purposes of this paragraph 6.01(b)(ii)(A) only, delivery of an Album shall be deemed to occur on the date which is the earlier of: (x) actual delivery of the applicable Master Recordings; or (y) the last date that upon which delivery of the applicable Master Recordings would have been timely pursuant to paragraph 4.01 above. For purposes of the foregoing calculation only, Net Sales figures shall be revised to reflect a deduction of fifteen percent (15%) as and for reserves with respect to each applicable Album in lieu of any amount otherwise permitted to be deducted for such reserves hereunder. If the foregoing calculation of the applicable Recording Fund is based upon less than fifteen (15) months of royalty earnings, then RAF shall make a subsequent re-calculation to determine the Recording Fund when such Album has been released for fifteen (15) months and pay Grantor the actual Recording Fund Advance, if any, determined pursuant to such re-calculation, promptly following such re-calculation.

<u>Album of Minimum Recording Obligation</u>	<u>Minimum Recording Fund</u>	<u>Maximum Recording Fund</u>
third	\$300,000	\$650,000
fourth	\$325,000	\$700,000
fifth	\$400,000	\$850,000
sixth	\$425,000	\$900,000
seventh	\$450,000	\$950,000

(B) Each such Advance shall be paid as follows: (x) an amount equal to twenty percent (20%) of the applicable Recording Fund, promptly following RAF's receipt of Artist's notice that it has commenced recording in accordance with the terms hereof; and (y) the balance shall be paid, after deduction of all Recording Costs paid or incurred by RAF in connection with such Album, promptly following delivery to RAF of all Master Recordings and other materials required to be delivered pursuant to Articles 3 and 4 with respect to each such Album.

(iii) Costs in excess of the applicable Recording Fund to the extent due to Grantor's or Artist's acts or omissions shall be Grantor's responsibility and, to the extent RAF elects to pay any of such costs, RAF shall have the right to demand reimbursement therefor from Grantor (and Grantor shall immediately make such reimbursement) and/or RAF may deduct such amounts from any and all monies otherwise payable to Grantor hereunder. If any Album of the Minimum Recording Obligation is not delivered within ninety (90) days following the time periods set forth in Article 4 above, the Recording Fund for such Album shall be reduced by five



percent (5%) of the otherwise applicable Recording Fund for each month (or portion thereof) subsequent to the applicable delivery date until that Album is delivered, provided, however, RAF shall not reduce the Recording Fund below the amount of the approved budget for such Album.

(c) It is expressly understood and agreed that any and all Advances paid by RAF pursuant to the terms of this paragraph 6.01 shall specifically include the prepayment of session union scale, as provided in the applicable union codes, and Grantor and Artist agree to complete any documentation required by the applicable union to effectuate the terms of this sentence.

6.02. (a) Except as otherwise set forth herein, any monies paid to Grantor or Artist during the Term and any monies paid by RAF on Grantor's or Artist's behalf or at Grantor's or Artist's direction, other than royalties paid pursuant to this agreement shall be deemed Advances.

(b) All costs paid or incurred by RAF in connection with any search or registration in respect of any trademark, name or sobriquet now or hereafter used or proposed to be used by Artist under this agreement, up to Seven Hundred Dollars (\$700) shall be deemed Advances.

6.03. (a) All Video Costs shall be deemed Advances; provided, however, that only fifty percent (50%) of such Video Costs shall be recoupable from audio-only Record royalties payable pursuant to the provisions of Article 7 hereof. Notwithstanding the foregoing, one hundred percent (100%) of any video production costs in excess of Three Hundred Thousand Dollars (\$300,000) per Video shall be recoupable from audio-only Record royalties payable pursuant to the provisions of Article 7 hereof. For the avoidance of doubt, RAF shall not recoup any Video Costs more than once.

(b) Fifty percent (50%) of the following costs incurred by RAF shall also be deemed Advances: (i) costs incurred in connection with the creation, hosting and/or maintenance of Artist Websites; (ii) costs incurred in connection with securing, registering and/or protecting Artist Domain Names; (iii) costs incurred in connection with the creation of ECD Materials; (iv) costs incurred in connection with independent promotion, independent marketing and independent publicity; and (v) all worldwide costs paid or incurred by RAF or RAF's affiliates in connection with a substantial television, movie or radio campaign. Notwithstanding the foregoing, RAF shall not recoup more than Forty Thousand Dollars (\$40,000) for each Album of the Minimum Recording Obligation in connection with paragraphs 6.03(b)(i), (ii) and (iii) (collectively, the "Website Cost Provisions"). For the avoidance of doubt, RAF shall not recoup any costs with respect to any services rendered by any RAF-employee in connection with the Website Cost Provisions.

7. ROYALTIES

RAF shall accrue to the account of Grantor in accordance with the provisions of Article 8 below the following royalties for the sale of Phonograph Records derived from Master Recordings hereunder provided, however, no royalties shall be due and payable to Grantor until such time as all Advances have been recouped by or repaid to RAF:



7.01. A royalty of eight percent (8%) of the Royalty Base for Net Sales through Normal Retail Channels in the United States ("USNRC Net Sales") of all Singles and Long-Play Singles, except twelve percent (12%) in respect of Net Sales during the second Contract Period.

7.02. With respect to USNRC Net Sales of Albums hereunder:

(a) (i) A royalty of fourteen percent (14%) of the Royalty Base with respect to Master Recordings recorded during the initial Contract Period.

(ii) For USNRC Net Sales of any Album of the Minimum Recording Obligation recorded during the initial Contract Period in excess of five hundred thousand (500,000) USNRC units, the royalty rate for such excess units of such Album only shall be fourteen and one-half percent (14-1/2%) of the Royalty Base in lieu of the royalty rate provided in paragraph 7.02(a)(i) above.

(iii) For USNRC Net Sales of any Album of the Minimum Recording Obligation recorded during the initial Contract Period in excess of one million (1,000,000) USNRC units, the royalty rate for such excess units of such Album only shall be fifteen percent (15%) of the Royalty Base in lieu of the royalty rate provided in paragraphs 7.02(a)(i) or 7.02(a)(ii) above.

(b) (i) A royalty of eighteen percent (18%) of the Royalty Base with respect to Master Recordings recorded during the second Contract Period.

(ii) For USNRC Net Sales of any Album of the Minimum Recording Obligation recorded during the second Contract Period in excess of one million (1,000,000) USNRC units, the royalty rate for such excess units of such Album only shall be eighteen and one-half percent (18-1/2%) of the Royalty Base in lieu of the royalty rate provided in paragraph 7.02(b)(i) above.

(iii) For USNRC Net Sales of any Album of the Minimum Recording Obligation recorded during the second Contract Period in excess of two million (2,000,000) USNRC units, the royalty rate for such excess units of such Album only shall be nineteen percent (19%) of the Royalty Base in lieu of the royalty rate provided in paragraphs 7.02(b)(i) or 7.02(b)(ii) above.

(c) (i) A royalty of fifteen percent (15%) of the Royalty Base with respect to Master Recordings recorded during the third Contract Period.

(ii) For USNRC Net Sales of any Album of the Minimum Recording Obligation recorded during the third Contract Period in excess of five hundred thousand (500,000) USNRC units, the royalty rate for such excess units of such Album only shall be fifteen and one-half percent (15-1/2%) of the Royalty Base in lieu of the royalty rate provided in paragraph 7.02(c)(i) above.

(iii) For USNRC Net Sales of any Album of the Minimum Recording Obligation recorded during the third Contract Period in excess of one million (1,000,000) USNRC units, the royalty rate for such excess units of such Album only shall be sixteen percent

(16%) of the Royalty Base in lieu of the royalty rate provided in paragraphs 7.02(c)(i) or 7.02(c)(ii) above.

(d) (i) A royalty of sixteen percent (16%) of the Royalty Base with respect to Master Recordings recorded during the fourth and fifth Contract Periods.

(ii) For USNRC Net Sales of any Album of the Minimum Recording Obligation recorded during the fourth and fifth Contract Periods in excess of five hundred thousand (500,000) USNRC units, the royalty rate for such excess units of such Album only shall be sixteen and one-half percent (16-1/2%) of the Royalty Base in lieu of the royalty rate provided in paragraph 7.02(d)(i) above.

(iii) For USNRC Net Sales of any Album of the Minimum Recording Obligation recorded during the fourth and fifth Contract Periods in excess of one million (1,000,000) USNRC units, the royalty rate for such excess units of such Album only shall be seventeen percent (17%) of the Royalty Base in lieu of the royalty rate provided in paragraphs 7.02(d)(i) or 7.02(d)(ii) above.

(e) (i) A royalty of seventeen percent (17%) of the Royalty Base with respect to Master Recordings recorded during the sixth and seventh Contract Periods.

(ii) For USNRC Net Sales of any Album of the Minimum Recording Obligation recorded during the sixth and seventh Contract Periods in excess of five hundred thousand (500,000) USNRC units, the royalty rate for such excess units of such Album only shall be seventeen and one-half percent (17-1/2%) of the Royalty Base in lieu of the royalty rate provided in paragraph 7.02(e)(i) above.

(iii) For USNRC Net Sales of any Album of the Minimum Recording Obligation recorded during the sixth and seventh Contract Periods in excess of one million (1,000,000) USNRC units, the royalty rate for such excess units of such Album only shall be eighteen percent (18%) of the Royalty Base in lieu of the royalty rate provided in paragraphs 7.02(e)(i) or 7.02(e)(ii) above.

7.03. (a) The royalty rate with respect to Net Sales of Records sold for distribution in Canada shall be eighty-five percent (85%) of the otherwise applicable royalty rate set forth herein, except ninety percent (90%) in respect of Net Sales of the Second Album.

(b) The royalty rate with respect to Net Sales of Records sold for distribution in The United Kingdom, Japan and Australia shall be eighty percent (80%) of the otherwise applicable royalty rate set forth herein, except eighty-five percent (85%) in respect of Net Sales of the Second Album sold for distribution in The United Kingdom.

(c) The royalty rate with respect to Net Sales of Records sold for distribution in the Benelux Countries, Austria, Switzerland, France, Germany, Greece, Sweden, Denmark, Norway, Finland, Spain, Italy and New Zealand shall be seventy-five percent (75%) of the otherwise applicable royalty rate set forth herein.

(d) The royalty rate with respect to Net Sales of Records sold for distribution in the rest of the world (i.e., those countries other than those set forth in paragraphs 7.03(a)

7.03(c) above) shall be sixty percent (60%) of the otherwise applicable royalty rate set forth herein, except sixty-six and two-thirds percent (66-2/3%) in respect of Net Sales of the Second Album.

(e) For purposes of this paragraph 7.03, the sales escalations provided herein, if any, shall not apply.

7.04. (a) (i) Notwithstanding anything to the contrary set forth herein, with respect to Net Sales of Records sold in the form of compact discs, the royalty rate shall be eighty five percent (85%) of the otherwise applicable royalty rate set forth herein, except one hundred percent (100%) in respect of Net Sales of the Second Album.

(ii) For USNRC Net Sales of any Album of the Minimum Recording Obligation other than the Second Album sold in the form of compact discs in excess of five hundred thousand (500,000) units, the royalty rate for such excess units of such Album sold in the form of compact discs only shall be ninety percent (90%) of the otherwise applicable royalty rate set forth herein.

(iii) For USNRC Net Sales of any Album of the Minimum Recording Obligation other than the Second Album sold in the form of compact discs in excess of one million (1,000,000) units, the royalty rate for such excess units of such Album sold in the form of compact discs only shall be ninety-five percent (95%) of the otherwise applicable royalty rate set forth herein.

(b) With respect to Net Sales of Records sold in the form of Record configurations not specifically provided for herein, RAF shall accrue a royalty, with respect to each such Record, equal to seventy-five percent (75%) of the otherwise applicable royalty rate for compact discs. Notwithstanding anything to the contrary contained in this paragraph 7.04(b) above, if, as of the end of a particular accounting period, Grantor notifies RAF that a particular new configuration comprises twenty-five percent (25%) or more of all configurations of Records sold in the United States as confirmed by the Recording Industry Association of America (or the then-applicable organization representing the recording industry generally), then, as of the commencement of the immediately subsequent accounting period, the royalty rate for such configuration of Records shall be one hundred percent (100%) of the otherwise applicable royalty rate set forth herein for Records in the compact disc configuration. For purposes of this paragraph only, the term "configurations not specifically provided for herein" means configurations other than vinyl disc, analog cassette, compact disc, and Audio-Visual Devices.

7.05. (a) The royalty for Net Sales of EP Records shall be accrued at two-thirds (2/3) of the otherwise applicable Album royalty rate and shall be computed based on the particular Royalty Base of each EP Record.

(b) With respect to USNRC Net Sales of Long-Play Singles, RAF shall accrue to Grantor's account a royalty of two-thirds (2/3) of the otherwise applicable Singles royalty rate and shall be computed based on the particular Royalty Base of each such Long-Play Single.

(c) The royalty for Net Sales of Mid-Price Records and Records sold in Armed Forces Post Exchanges shall be accrued at three-fourths (3/4) of the otherwise applicable

royalty rate set forth herein and shall be computed based on the particular Royalty Base of each such Record.

(d) The royalty for Net Sales of premium Records, Budget Records or special configuration Singles (i.e., Singles and/or Long-Play Singles sold at two for the price of one, manufactured in colored vinyl and/or sold with a four-color poster included) shall be accrued at one-half (1/2) of the otherwise applicable royalty rate set forth herein and shall be computed based on the particular Royalty Base of each such Record.

(e) The royalty rate with respect to Net Sales through Normal Retail Channels of Multiple-Record Albums sold by RAF for distribution shall be calculated by multiplying the otherwise applicable royalty rate by a fraction, the numerator of which shall be the Royalty Base for such Multiple-Record Album, and the denominator of which shall be the Royalty Base applicable to RAF's or its licensees' top-line single-disc LPs multiplied by the number of disc LPs in the Multiple-Record Album.

(f) For purposes of this paragraph 7.05, the sales escalations provided, herein, if any, shall not apply.

7.06. (a) With respect to the following Records and/or exploitation of Master Recordings, the royalty to be accrued hereunder shall be a sum equal to fifty percent (50%) of RAF's net receipts with respect to such exploitation: (i) Records derived from Master Recordings hereunder sold through record clubs or similar sales plans whether operated by Non-Affiliated Third Parties or otherwise; (ii) licenses of Master Recordings to Non-Affiliated Third Parties for sales of Records by such licensees through direct mail, mail order or in conjunction with TV or radio advertising, including through methods of distribution such as "key outlet marketing" (distribution through retail fulfillment centers in conjunction with special advertisements on radio or television), or by any combination of the methods set forth above or other methods; (iii) licenses of Master Recordings to Non-Affiliated Third Parties on a flat-fee or other royalty basis, provided that with respect to such licenses the royalty shall in no event be greater than the royalty which would be payable to Artist by virtue of applying the applicable pro-rata artist royalty rate with respect to such Master Recording license; (iv) licenses to Non-Affiliated Third Parties for promotional or commercial use of Audio-Visual Recordings described in paragraph 5.02, excluding blanket licenses to exploit RAF's Audio-Visual Recording catalog; and (v) use of the Master Recordings for background music, synchronization in motion pictures and television soundtracks and Records derived therefrom whether produced and/or distributed by Non-Affiliated Third Parties or otherwise, and/or use on transportation facilities.

(b) In the event that RAF shall distribute or authorize other Persons to distribute Records by means of (i) a so-called "permanent" download (whether or not such download is transferable to a portable device or such download can be "burned" to CD or other format), (ii) by making Master Recordings hereunder available through subscription services, and/or (iii) any Records in which RAF distributes or authorizes any other Person to distribute as a so-called: (A) "stream" (i.e., for simultaneous playback, and not in a downloadable format); or (B) "conditional" download (i.e., any download where the access to the content expires or is "timed-out" when the consumer's subscription or other similar service lapses); (iv) any Ancillary Website Exploitation and; (v) any other form of Electronic Transmission for which a



rate is not otherwise specifically set forth herein, the royalty to be accrued hereunder in respect of such exploitation shall be determined by applying the applicable royalty rate and Royalty Base set forth herein for an equivalent Record; however, the following deductions shall not apply when computing Artist's royalty with respect to any such "permanent" downloads: (1) Container Charges (as set forth in paragraph 13.10 below); (2) new technology deductions (as set forth in paragraph 7.04(b) above); and (3) free goods (as set forth in paragraphs 13.21(a)(ii) and (iii) below). For the avoidance of doubt, whether a particular Record is distributed (by means of a "permanent" download, through portable subscription services or through other means of Electronic Transmission per this paragraph 7.06(b)) as an individual Master Recording or such Master Recording is part of an entire Album, the royalty that shall be accrued hereunder shall be the applicable Album royalty rate pursuant to the terms set forth herein.

(c) [Intentionally deleted, subject to paragraph 5.01 herein].

(d) With respect to any and all licenses or other exploitations of Master Recordings not expressly provided for herein, the royalty to be accrued hereunder in respect of such exploitation shall be determined by applying the applicable royalty rate and Royalty Base set forth herein for an equivalent Record.

(e) The terms "net receipts" and "net amount received" and similar terms in this paragraph 7.06 shall mean all amounts received by RAF in connection with the subject matter thereof which are solely attributable to the Master Recordings hereunder (excluding catalog and/or administrative fees payable to RAF), after deduction of any costs or expenses or amounts incurred by RAF or which RAF is obligated to pay (such as, without limitation, production costs, mechanical copyright payments, AFM and other union or guild payments).

(f) If, pursuant to RAF's agreement ("Club Agreement") with any record club licensee distributing Records hereunder ("Artist Records") through direct mail or mail order operations, (i) the aggregate number of RAF's Records (including Artist Records) distributed thereunder during any applicable period of time as "free" or bonus" records shall exceed the aggregate number of RAF's Records (including Artist Records) sold thereunder during that period (hereinafter such excess Records are referred to as "Excess Club Records"); and (ii) the number of Artist Records distributed thereunder during such period by such licensee as "free" or "bonus" Records shall exceed the number of Artist Records sold during such period by such licensee (hereinafter such excess Records are referred to as "Excess Club Artist Records"), then your royalty account hereunder shall be credited with an amount equal to fifty percent (50%) of the adjusting royalty payment, if any, made by such licensee to RAF solely attributable to the Excess Club Records distributed by that licensee during such period multiplied by a fraction equal to the aggregate number of Excess Club Artist Records distributed by that licensee during such period divided by the Aggregate Qualifying Excess Club Records (as defined in the following sentence), including Excess Club Artist Records, distributed by that licensee during such period. As used in the preceding sentence, "Aggregate Qualifying Excess Club Records" shall mean the aggregate number of "free" or "bonus" Records in excess of Records sold with respect to each particular RAF recording artist whose "free" or "bonus" Records distributed pursuant to a Club Agreement exceed the number of such RAF artist's Records which are sold thereunder during such applicable period. Notwithstanding the foregoing, if pursuant to any particular Club Agreement the record club licensee accounts to RAF in connection with "free" or

"bonus" records upon a basis which also includes Records released by any company which is a "related company" (i.e., a parent, subsidiary or affiliate of RAF), then with respect to that particular Club Agreement all references to RAF in the preceding provisions of this paragraph 7.06(f) shall be deemed to include such related company(ies).

7.07. As to Net Sales by RAF or its affiliated licensees of Records derived from Master Recordings by direct mail or mail order, whether or not in conjunction with radio or TV advertising, including through methods of distribution such as "key outlet marketing", or by any combination of such methods (but excluding retail sales via the Internet), the royalty to be accrued hereunder shall be a royalty of four percent (4%) (except seven percent (7%) in respect of such Net Sales during the Second Contract Period) of the Royalty Base for Net Sales of such Records.

7.08. With respect to Joint Recordings, the royalty to be accrued hereunder shall be the otherwise applicable royalty provided for herein divided by the total number of royalty-earning artists (including Artist) whose performances are embodied on the Joint Recording concerned.

7.09. As to Records not consisting entirely of Master Recordings delivered hereunder, the royalty to be accrued hereunder shall be pro-rated on the basis of the number of Master Recordings hereunder which are on such Records compared to the total number of royalty-bearing Master Recordings on such Records.

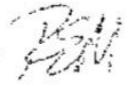
7.10. (a) (i) With respect to USNRC Net Sales of Audio-Visual Devices at a Top-Line price, RAF shall accrue to Grantor's account a royalty of eleven percent (11%) of the applicable Royalty Base, except thirteen percent (13%) in respect of such Net Sales during the second Contract Period.

(ii) With respect to USNRC Net Sales of Audio-Visual Devices at a Base Price which is less than a Top-Line price, RAF shall accrue to Grantor's account a royalty of eleven percent (11%) of the applicable Royalty Base multiplied by a fraction, the numerator of which is the suggested retail list price that equates to the applicable Base Price and the denominator of which is Nineteen Dollars and Ninety-Five Cents (\$19.95), except thirteen percent (13%) in respect of such Net Sales during the second Contract Period.

(b) (i) With respect to Net Sales of Audio-Visual Devices outside the United States at a Top-Line price, RAF shall accrue to Grantor's account a royalty of five and one-half percent (5-1/2%) of the applicable Royalty Base, except seven percent (7%) in respect of such Net Sales during the second Contract Period.

(ii) The royalty for Net Sales of Audio-Visual Devices outside the United States at a price which is customarily considered to be "mid-price" in the country concerned shall be accrued at two-thirds (2/3) of the otherwise applicable royalty rate and shall be computed based on the particular Royalty Base of each such Audio-Visual Device.

(iii) The royalty for Net Sales of Audio-Visual Devices outside the United States at a Base Price which is customarily considered to be "budget" in the country concerned, shall be accrued at one-half (1/2) of the otherwise applicable royalty rate and shall be computed based on the particular Royalty Base of each such Audio-Visual Device.



(c) For purposes of this paragraph 7.10, the sales escalations provided herein, if any, shall not apply.

8. ACCOUNTINGS

8.01 Accountings as to royalties accruing or which otherwise would have accrued hereunder shall be made by RAF to Grantor on or before September 30th for the period ending the preceding June 30th, and on or before March 31st for the period ending the preceding December 31st, or such other accounting periods as RAF may in general adopt, but in no case less frequently than semi-annually, together with payment of accrued royalties, if any, earned by Grantor during such preceding half-year, less Advances or other recoupable and/or deductible amounts hereunder. Without limitation of RAF's right to recoup all Advances hereunder against royalties earned hereunder, except as otherwise provided herein, RAF shall not charge against royalties earned with respect to a semi-annual accounting period a contractual Advance which is paid after the end of such accounting period but before such royalties are actually paid, provided that such Advance is being paid solely in connection with an Album of the Minimum Recording Obligation. RAF shall hold a reasonable reserve with respect to each Album of the Minimum Recording Obligation during any semi-annual accounting period which shall be commercially reasonable when considering the difference between: (a) the total number of the applicable Album shipped to Record retailers for commercial sale; and (b) the number of units of the applicable Album sold by such retailers to consumers as reported by Soundscan or any comparable service. Each royalty reserve will be liquidated not later than the end of the fourth full semi-annual accounting period following the period during which such reserve is initially established.

8.02. Royalties in connection with the exploitation of Master Recordings hereunder shall be computed in the same national currency as RAF is accounted to by its licensees and shall be paid at the same rate of exchange as RAF is paid, and shall be subject to any taxes applicable to royalties remitted by or received from foreign sources, provided, however, that royalties on Records sold outside the United States shall not be due and payable by RAF until payment therefor has been received by or credited to RAF in the United States in United States Dollars. If RAF shall not receive payment in the United States, or in United States Dollars, and shall be required to accept payment in a foreign country or in foreign currency, RAF shall deposit to the credit of Grantor (at Grantor's request and expense), in such currency in a depository in the country in which RAF is required to accept payment, Grantor's share of royalties due and payable to Grantor with respect to such sales. Deposit as aforesaid shall fulfill the obligations of RAF as to Record sales to which such royalty payments are applicable. If any law, government ruling or any other restriction affects the amount of the payments which RAF's licensee can remit to RAF, RAF may deduct from Grantor's royalties an amount proportionate to the reduction in such licensee's remittances to RAF.

8.03. (a) All royalty statements rendered by RAF to Grantor shall be binding upon Grantor and not subject to any objection by Grantor for any reason unless specific objection in writing, stating the basis thereof, is given to RAF within three (3) years from the date rendered. Failure to make specific objection within said time period shall be deemed approval of such statement.



(b) All statements hereunder will be deemed conclusively to have been rendered on the due date set forth in paragraph 8.01 above unless Grantor notifies RAF otherwise within ninety (90) days after such due date.

8.04. (a) Grantor shall have the right at Grantor's own expense to audit RAF's books and records only as the same pertain to sales or other distributions of Phonograph Records hereunder on which royalties are payable to Grantor or other exploitations of Master Recordings hereunder on which royalties are payable to Grantor, in each case for the six (6) accounting periods prior to RAF's receipt of written notice from Grantor of Grantor's desire to audit such books and records. Grantor may make such an examination for a particular statement only once, and only within three (3) years after the date when RAF renders said statement under paragraph 8.01. Such audit shall be conducted during RAF's usual business hours, and at RAF's regular place of business in the United States where RAF keeps the books and records to be examined. Such audit shall be conducted by an independent certified public accountant.

(b) Grantor acknowledges that RAF's books and records contain confidential trade information. Neither Grantor nor its representatives shall at any time communicate to others or use on behalf of any other Person any facts or information obtained as a result of such examination of RAF's books and records, unless such disclosure is required pursuant to an order of a court of competent jurisdiction or such information (other than through Grantor's violation of this paragraph 8.04(b)) is publicly available generally and generally known to the public (in addition to the music industry). In the event such disclosure is so ordered, Grantor shall notify RAF in writing promptly following receipt of such order.

8.05. Grantor will not have the right to bring an action against RAF in connection with any royalty accounting or payments hereunder unless Grantor commences the suit within three (3) years from the date such statement of accounting for royalties or such payment was rendered. If Grantor commences suit on any controversy or claim concerning royalty accountings rendered by RAF under this agreement, the scope of the proceeding will be limited to determination of the amount of the royalties rendered for the accounting periods concerned, and the court will have no authority to consider any other issues or award any relief except recovery of any royalties found owing. Grantor's recovery of any such royalties will be the sole remedy available to Grantor (or Artist) by reason of any claim related to RAF's royalty accountings. Without limiting the generality of the preceding sentence, neither Grantor (nor Artist) will have any right to seek termination of the Term of this agreement or avoid the performance of their obligations under it by reason of any such claim. Notwithstanding the foregoing, in the event any court having jurisdiction over the matter determines fraud or gross negligence on the part of RAF in connection with any such claim, and such determination is not appealed, overturned or reversed, the limitations set forth in this paragraph 8.05 shall not apply.

8.06. Grantor hereby authorizes and directs RAF to withhold from any monies due Grantor from RAF any part thereof required by the United States Internal Revenue Service and/or any other governmental authority to be withheld, and to pay same to the United States Internal Revenue Service and/or such other authority. No Advances or other payments shall be made pursuant to this agreement until Grantor has completed the W-9 Internal Revenue Service Form.

8.07. Notwithstanding anything to the contrary expressed or implied elsewhere herein,

if, at any time during or after the Term, the performances embodied on any Master Recording become property of the public domain in any territory of the world such that any Person may reproduce and/or exploit Records embodying such performances in such territory without license from and/or payment to RAF, then no monies whatsoever shall thereafter be accrued to Grantor's account hereunder in connection with the exploitation by RAF or its subsidiaries, affiliates or licensees of such performances in such territory on and after the date on which such performances become property of the public domain in such territory.

9. MECHANICAL COPYRIGHT LICENSES

9.01. The following provisions shall pertain to Controlled Compositions:

(a) Each Controlled Composition shall be and hereby is licensed to RAF in the United States and Canada at a copyright royalty rate equal to seventy-five percent (75%) (except one hundred percent [100%] in respect of the Second Album) of the Statutory Rate prevailing at the time of the earlier of: (i) delivery of the Master Recording embodying such Controlled Composition or (ii) the date such Master Recording was required to be delivered hereunder, subject to the provisions of this Article 9. With respect to Records sold and/or distributed in the manner described in paragraphs 7.05 (excluding 7.05(e)), 7.06 (excluding "permanent" downloads of Master Recordings delivered during the second Contract ^A[Period]) or 7.07, the copyright royalty rate with respect to Controlled Compositions shall be three-fourths (3/4) of the rate set forth in the preceding sentence.

(b) Copyright royalties with respect to Controlled Compositions shall be payable only on Net Sales hereunder. Copyright royalties shall not be payable with respect to: (A) Records otherwise not royalty-bearing hereunder; (B) non-musical material; and (C) Compositions which have a playing time of less than one (1) minute and thirty (30) seconds in length and/or any so-called "interludes", "intros" or "outros". Arranged versions of Compositions in the public domain shall be free of copyright royalties if arranged by any of the individuals described in the definition of Controlled Compositions unless such arranged version varies substantially from the original work, in which case such arranged version shall be licensed to RAF at a copyright royalty rate equal to the applicable rate in paragraph 9.01(a) above apportioned according to the same ratio used by ASCAP or BMI in determining performance credits. RAF will not be required to pay mechanical royalties in connection with such arranged version unless Grantor furnishes to RAF, by no later than the date of delivery of the Master Recording embodying such arranged version, documentation satisfactory to RAF of the ratio so used by ASCAP or BMI.

(c) Notwithstanding anything to the contrary contained herein, if any Record hereunder embodies more than one (1) Master Recording of a particular Controlled Composition, then RAF shall only be obligated to pay the copyright royalty rate(s) referred to in paragraph 9.01(a) with respect to only one (1) such Master Recording.

(d) (i) Grantor hereby licenses each Controlled Composition to RAF for synchronization in any promotional Audio-Visual Recording and the uses thereof without payment.

(ii) On a prospective basis only, following recoupment of all



production costs incurred with respect to the applicable Audio-Visual Recording, with respect to each Controlled Composition synchronized in an Audio-Visual Recording which RAF exploits commercially on Audio-Visual Devices, RAF shall pay, with respect to Net Sales of Audio-Visual Devices embodying such Audio-Visual Recordings, a copyright royalty of six cents (\$.06) for each complete Controlled Composition embodied on each such Audio-Visual Device; provided, however, that RAF shall have no obligation to pay an aggregate copyright royalty in excess of four percent (4%) of the lowest wholesale price payable by the largest category of RAF's customers of the applicable Audio-Visual Device embodying Audio-Visual Recordings hereunder. If less than a complete Controlled Composition is embodied on any such Audio-Visual Device, the copyright royalty shall be pro-rated based upon the number of seconds of the applicable Controlled Composition that is used compared to the length of the complete Controlled Composition as embodied on Artist's original Master Recording of such Composition.

(iii) Grantor shall procure from the applicable copyright proprietors an irrevocable written consent to RAF's recording of each non-Controlled Composition for Audio-Visual Recordings and the promotional use thereof without payment. RAF shall negotiate in good faith with such copyright proprietors concerning the terms of payment for the commercial exploitation of non-Controlled Compositions taking into consideration then-prevailing industry standards.

(e) The provisions of this Article 9 shall constitute and are accepted by Grantor, on Grantor's own behalf and on behalf of any other owner of any Controlled Composition(s) or of any rights therein, as full compliance by RAF with all of its obligations under the compulsory license provisions of the applicable copyright law, arising from any use by RAF of Controlled Compositions as provided for herein, and shall constitute a mechanical license. RAF shall have the right to hold reasonable mechanical royalty reserves in respect of sales hereunder. Mechanical royalty reserves maintained by RAF against anticipated returns and credits shall not be held for an unreasonable period of time; retention of a reserve for two years after it is established shall not be considered unreasonable in any case. If RAF makes any overpayment of mechanical royalties on Controlled Compositions (including without limitation, by means of an accounting error or by paying mechanical royalties on Records returned), RAF shall have the right to demand reimbursement of such excess from Grantor (and Grantor shall immediately make such reimbursement) and/or the right to deduct the amount of such overpayment from any and all monies otherwise payable to Grantor hereunder. RAF shall account for mechanical royalties on a quarterly basis. Grantor's right to audit RAF's books and records as the same relate to copyright royalties for Controlled Compositions shall be subject to the terms and conditions set forth in Article 8 in connection with Grantor's audit rights.

(f) Any assignment made of the ownership or copyright in any Controlled Composition shall be made subject to the provisions of this Article 9.

(g) Upon RAF's request, Grantor shall cause the issuance to RAF and RAF's designees of mechanical licenses to reproduce all Compositions on Phonograph Records hereunder distributed outside the United States and Canada on terms no less favorable to RAF and RAF's designees than those generally applicable to Record manufacturers in each country in question. The obligation to account for and pay royalties for the mechanical reproduction of Compositions on sales of Phonograph Records outside of the United States shall be solely that of RAF's affiliates and licensees.

9.02. Notwithstanding anything to the contrary contained herein, Grantor warrants, represents, and agrees that, in the United States and Canada, RAF shall have no obligation whatsoever to pay an aggregate copyright royalty rate in respect of any Record hereunder regardless of the number of Controlled Compositions and/or other Compositions contained thereon, in excess of the following sums:

- (a) In respect of an Album: ten (10) times the applicable amount set forth in paragraph 9.01 above (except eleven (11) times such amount in respect of the Second Album and Albums in the compact disc configuration, provided the applicable Album embodies at least eleven (11) different Compositions).
- (b) In respect of an EP Record: five (5) times the applicable amount set forth in paragraph 9.01 above.
- (c) In respect of a Long-Play Single: three (3) times the applicable amount set forth in paragraph 9.01 above.
- (d) In respect of a Single or any Record other than as expressly provided for in this paragraph 9.02: two (2) times the applicable amount set forth in paragraph 9.01 above.
- (e) In respect of a Multiple-Record Album: the aggregate copyright royalty rate set forth in paragraph 9.02(a)(i) above multiplied by a fraction, the numerator of which shall be the Royalty Base for such Multiple-Record Album, and the denominator of which shall be the Royalty Base applicable to PRI's or its licensee's top-line single-disc LPs.

9.03. Without limitation of the generality of clause 9.02 above, if the aggregate of copyright royalties in respect of any Record hereunder exceeds the applicable amounts set forth in this Article 9, then, without limitation of RAF's rights, RAF shall have the right, at its election, if it elects to release such Recording, to deduct the amount of such excess from any and all monies otherwise payable hereunder.

9.04. If any Recordings made under this agreement contain copyrighted non-Controlled Compositions which are not available to RAF under compulsory license, RAF will, subject to the provisions of paragraphs 3.05 and 10.12 hereof, obtain mechanical licenses covering such Compositions for RAF's benefit.

9.05. Grantor hereby grants to RAF the irrevocable right throughout the world to print and reproduce the title to each Composition embodied in a Master Recording delivered hereunder and/or the lyrics to each Controlled Composition embodied in a Master Recording delivered hereunder on the packaging of Phonograph Records embodying such Master Recording without payment to any Person. Grantor hereby further grants to RAF the irrevocable right throughout the world to recreate the title to any Composition embodied in a Master Recording delivered hereunder and/or lyrics to any Controlled Composition embodied in a Master Recording delivered hereunder, in the so-called "text mode" of digital compact cassettes and interactive compact discs embodying such Master Recording, or in comparable media, whether now existing or hereafter developed, without payment to any Person. If RAF is required to pay any monies to any Person for the exercise of any of the rights granted to it under this



paragraph 9.05, then RAF shall have the right to demand reimbursement therefor from Grantor (and Grantor shall immediately make such reimbursement) and/or the right to deduct such costs from any and all monies otherwise payable to Grantor hereunder.

9.06. Grantor will use its best efforts to secure from Artist in favor of RAF the first right of refusal and matching right for Universal Music Publishing to enter into an exclusive co-publishing arrangement with Artist at the end of the term of Artist's exclusive arrangement with EMI Music Publishing.

10. GRANTOR'S ADDITIONAL WARRANTIES AND REPRESENTATIONS

Grantor warrants and represents the following:

10.01. (a) Grantor is authorized, empowered and able to enter into and fully perform its obligations under this agreement. Neither this agreement nor the fulfillment thereof by any party infringes upon the rights of any Person. Grantor owns and controls, without any limitations, restrictions or encumbrances whatsoever, all rights granted or purported to be granted to RAF hereunder, and Grantor has obtained all necessary licenses and permissions as may be required for the full and unlimited exercise and enjoyment by RAF of all of the rights granted and purported to be granted to RAF herein. RAF will own, possess and enjoy such rights without any hindrance on the part of any Person whatsoever.

(b) There is in existence between Grantor and Artist a valid and enforceable agreement pursuant to which Artist is required to perform exclusively for Grantor during the Term. Grantor will waive none of its rights under such contract and shall take all steps necessary or desirable to keep the same in full force and effect so that RAF shall have the full benefit of Artist's exclusive services as if Artist had contracted hereunder directly with RAF. Simultaneously with the execution of this agreement, Grantor shall deliver to RAF an agreement between RAF and Artist in the form annexed hereto as Exhibit "A"; Grantor hereby gives its consent and approval to the contents thereof and said Exhibit "A" is hereby made a part hereof. Grantor will require full and complete performance by Artist of such contract. If Artist breaches such contract, Grantor will immediately notify RAF in writing of the details of such breach. If Grantor does not enforce any of Grantor's rights under its contract that relate in any way to RAF's rights hereunder, RAF may, without limitation of RAF's rights, enforce such rights in Grantor's name and/or the name of RAF. In addition to the foregoing, RAF may exercise, in Grantor's stead, Grantor's right to seek injunctive relief against Artist for Artist's breach of Artist's obligations to provide personal services pursuant to the agreement between Grantor and Artist. It is the mutual intention of RAF and Grantor that the rights granted herein specifically but without limitation be a grant of rights to receive injunctive relief pursuant to the provisions of California Civil Code Section 3423 (Fifth) and California Code of Civil Procedure Section 526 (second paragraph 5) concerning the availability of injunctive relief to prevent the breach of a contract in writing for the rendition or furnishing of personal services.

(c) Grantor is a corporation duly organized, existing and in good standing under the laws of the State of New York. The party executing this agreement on behalf of Grantor is an authorized representative of Grantor, duly authorized to sign on Grantor's behalf.

(d) Grantor has no knowledge of any claim or purported claim which would interfere with RAF's rights hereunder or create any liability on the part of RAF.

10.02. If, as of the date hereof, Grantor or Artist owns or controls any Master Recordings embodying Artist's performances that were recorded prior to the date hereof in addition to the Master Recordings included on the first Album hereunder ("Prior Masters"), or if Grantor or Artist shall, during the Term, acquire ownership of any Prior Masters, Grantor and Artist hereby warrant and represent that no exploitation rights in or to such Prior Masters shall be transferred, conveyed or otherwise granted to any Person during the Term, nor shall Grantor or Artist exploit such Prior Masters. Grantor and Artist hereby warrant and represent that there are no Prior Masters.

10.03. The Master Recordings hereunder and performances embodied thereon shall be produced in accordance with the rules and regulations of the AFM and the American Federation of Television and Radio Artists, in effect at the time such Master Recordings are recorded, and in accordance with the rules and regulations of all other unions having jurisdiction. Artist is 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 required for the performance of Artist's services hereunder.

10.04. Artist will perform exclusive services hereunder. Artist will not perform for (or license, or consent to, or permit the use by any Person other than RAF of Artist's name or likeness for or in connection with) the recording or exploitation of any Phonograph Record (including, without limitation, any Audio-Visual Device) embodying any Composition recorded by Artist under this agreement (and released during the Term hereof or within one (1) year thereafter) prior to the later of the date five (5) years subsequent to the date of delivery to RAF of the Master Recording embodying that Composition hereunder, or the date two (2) years subsequent to the expiration or termination of the Term.

10.05. Neither the Master Recordings hereunder nor the performances embodied thereon, nor any other "Materials", as hereinafter defined, nor any use thereof by RAF or its grantees, licensees or assigns will violate or infringe upon the rights of any Person. "Materials," as used in this paragraph, means: all Controlled Compositions; each name or sobriquet used by Artist or Grantor, individually or as a group; and all other musical, dramatic, artistic and literary materials, ideas, and other intellectual properties furnished or selected by Grantor, Artist or any producer and contained in or used in connection with any Artist Website, Website Material, ECD Material, Recordings made hereunder or the packaging, sale, distribution, advertising, publicizing or other exploitation thereof. Without limiting the foregoing, neither Grantor, Artist nor any Person selected or engaged by Grantor or Artist shall "interpolate", "quote from," "sample", "borrow" or otherwise adapt any copyrighted music, lyrics, spoken words, sounds, musical compositions, sound recordings or other material (collectively, "Embodied Copyrighted Materials") on or in connection with any Master Recordings hereunder without having first obtained the written consent of the applicable copyright proprietors of such Embodied Copyrighted Materials on terms which grant RAF and its designees all rights necessary so that RAF can fully exploit the Master Recordings concerned in accordance with the terms and conditions of this agreement; and Grantor's failure to obtain such written consents shall be deemed a material breach of this agreement. Without limiting the foregoing, if RAF, in the exercise of its good faith business judgment, believes that Embodied Copyrighted Materials are

embodied on any Master Recording hereunder and Grantor has not obtained the aforesaid written consents in respect of such Embodied Copyrighted Materials, then RAF may withhold from any and all monies otherwise payable to Grantor hereunder an amount reasonably related to the potential liability to third parties as a result thereof.

10.06. (a) Grantor shall be solely responsible for and shall pay all sums due Artist, and the individual producer of the Sides, and all other Persons entitled to receive royalties or any other payments in connection with the sale of Phonograph Records derived from Master Recordings hereunder, and the royalties set forth in Article 7 hereof include all monies due all such parties.

(b) Notwithstanding anything to the contrary expressed or implied in paragraph 10.06(a) or elsewhere herein, it is understood and agreed that if RAF, with Grantor's prior written approval (which approval may be withheld for any reason), engages producers for any Sides delivered hereunder, or if the producers of any such Sides are regularly employed on RAF's staff or render their services under contract with RAF (it being understood and agreed that if Artist records any Sides with such producers without prior written objection by Grantor, then Grantor's approval with respect to such producers shall be deemed given), the following terms shall apply:

(i) Grantor's royalty account and the production budget for the applicable recording project will be charged with a Recording Cost item of Thirty Thousand Dollars (\$30,000) per Album (or Three Thousand Dollars (\$3,000) per Side for a project for the recording of less than an Album). Notwithstanding the foregoing, if RAF is obligated to pay such producers a higher fixed amount (the "Higher Amount") for the applicable project, Grantor's royalty account and the production budget for the applicable recording project will be charged with a Recording Cost item equal to the Higher Amount in lieu of the amounts set forth in the preceding sentence.

(ii) With respect to Phonograph Records derived from Master Recordings hereunder, RAF shall accrue to the account of Grantor in accordance with the provisions of Article 8 above, a royalty equal to the applicable royalty set forth in Article 7 above, reduced by an amount equal to three percent (3%) with respect to Albums, with proportionate reductions on all sales for which reduced royalties are payable under this agreement. If RAF is obligated to pay producers a royalty greater than the amount set forth in the preceding sentence, Grantor's royalty shall be reduced by such greater amounts instead.

10.07. (a) Subject to Artist's prior bona fide professional commitments, Artist shall be available from time to time to appear for photography, poster, and cover art, and the like, under the direction of RAF or its nominees and to appear for interviews with representatives of the communications media and RAF's publicity personnel. RAF shall reimburse Artist for all reasonable expenses incurred by Artist in connection with such sessions provided such expenses are pre-approved by RAF and properly documented and such expenses shall not be deemed Advances hereunder.

(b) Subject to Artist's prior bona fide professional commitments, Artist shall

be available from time to time at RAF's request to perform for the purpose of recording for promotional purposes by means of film, videotape, or other audio-visual media performances of Compositions embodied on Master Recordings hereunder.

10.08. (a) Neither Grantor nor Artist shall authorize or knowingly permit Artist's performances to be recorded for any purpose without an express written agreement prohibiting the use of such recording on Records in violation of the restrictions herein, and Grantor and Artist shall take reasonable measures to prevent the manufacture, distribution and sale at any time by any Person other than RAF of such Records. Neither Grantor, nor any Person deriving any rights from Grantor, shall use or authorize or permit any Person other than RAF to use Artist's name (including any professional name or sobriquet), likeness (including picture, portrait or caricature), autograph (including facsimile signature), or biography in connection with the manufacture and/or exploitation of Records embodying Master Recordings recorded during the Term hereof or any other exploitation of such Master Recordings. Furthermore, except as otherwise provided herein, neither Grantor nor Artist, nor any Person deriving any rights from Grantor or Artist, will use, authorize or permit any Person other than RAF to create, host or maintain any Websites which incorporate any Masters embodying Artist's performances.

(b) Notwithstanding anything to the contrary contained in paragraph 10.08(a), Artist may perform as a background musician ("sideman") accompanying a featured artist for the purpose of making Recordings for Phonograph Record purposes for third parties during the Term provided that:

(i) Grantor has fulfilled all of Grantor's material obligations under this agreement, and such engagement does not interfere with the continuing prompt performance of Grantor's obligations to RAF;

(ii) The member of Artist shall not perform solo or step-out performances on Recordings for such parties in excess of thirty (30) seconds or be separately identified in connection with any solo or step-out performances on such Recordings;

(iii) The name of the member of Artist performing may not be used except in a courtesy credit to RAF or its designee on the liners used for such Phonograph Records, which courtesy credit shall appear in the same position as the credits accorded to other sidemen and in type identical in size, prominence and all other respects; without limiting the generality of the foregoing, in no event may the likeness of Artist or the professional name of Artist be used in connection with such Phonograph Records. Artist's name or likeness shall not appear in any advertising or promotion in connection with such Recordings, on the front covers of Album containers, on sleeves or labels used for Singles, or in any other form, including (without limitation) in Audio-Visual Recordings, without RAF's prior written consent, which may be withheld for any reason, in RAF's sole discretion;

(iv) The member of Artist shall not perform Compositions on such Recordings which Artist records hereunder, nor shall Artist be restricted from recording hereunder compositions performed by the member of Artist on such Recordings; and

(v) The third party record company which distributes the Records on

which Artist's performances are contained executes an agreement with RAF in a form satisfactory to RAF.

(c) Without limiting the generality of the foregoing paragraph 10.08(a), RAF agrees that Artist may perform in theatrical and/or television motion pictures and in other television productions, provided that such performances are substantially non-musical and that the agreement pursuant to which such performances are rendered expressly prohibits the release by any Person of Audio-Visual Devices (other than Audio-visual Devices embodying substantially the entire motion picture or television production) or so-called soundtrack Records embodying such broadcast and/or cablecast performances of Artist.

10.09. Neither Grantor nor Artist, nor any Person deriving any rights from Grantor or Artist, shall at any time, do, or authorize any Person to do, anything inconsistent with, or which might diminish or impair, any of RAF's rights hereunder. Neither Artist nor Grantor shall endorse any products whose use would be detrimental to the Phonograph Record industry, including but not limited to, blank tapes and tape recording equipment.

10.10. Grantor agrees to and does hereby indemnify, save, defend and hold RAF, its affiliates, parent companies, successors, licensees, agents, employees and assigns harmless of and from any and all liability, loss, damage, cost or expense (including reasonable outside attorneys' fees) arising out of or connected with any breach or alleged breach of this agreement or any claim which is inconsistent with any of the warranties or representations made by Grantor in this agreement, provided the said claim has been settled with Grantor's prior written consent, not to be unreasonably withheld, or has been reduced to final judgment, and agrees to reimburse RAF on demand for any payment made or incurred by RAF with respect to any liability or claim to which the foregoing indemnity applies. Notwithstanding anything to the contrary contained herein, RAF shall have the right to settle without Grantor's consent any claim involving sums of Seven Thousand Five Hundred Dollars (\$7,500) or less (or involving claims of ownership or exploitation of intellectual property), and this indemnity shall apply in full to any claim so settled; if Grantor does not consent to any settlement proposed by RAF for an amount in excess of Seven Thousand Five Hundred Dollars (\$7,500), RAF shall have the right to settle such claim without Grantor's consent, and this indemnity shall apply in full to any claim so settled, unless Grantor obtains a surety bond from a surety acceptable to RAF in its sole discretion, with RAF as a beneficiary, assuring RAF of prompt payment of all expenses, losses and damages (including reasonable outside attorneys' fees) which RAF may incur as a result of said claim. Pending final determination of any claim involving such alleged breach or failure, RAF may withhold sums due Grantor hereunder in an amount reasonably consistent with the amount of such claim, unless Grantor obtains a surety bond from a surety acceptable to RAF in its sole discretion, with RAF as a beneficiary, in an amount reasonably consistent with the amount of such claim. If no action is filed within one (1) year following the date on which such claim was first received by RAF, RAF shall release all sums withheld in connection with such claim, unless RAF, in its reasonable business judgment, believes an action will be imminently filed. Notwithstanding the foregoing, if after such release by RAF of sums withheld in connection with a particular claim, such claim is reasserted, then RAF's rights under this paragraph 10.10 will apply ab initio in full force and effect. RAF will give Grantor prompt notice of any lawsuit instituted with respect to such a claim, and Grantor shall have the right to participate in the defense thereof with counsel of Grantor's choice and at Grantor's expense provided, however, that RAF shall have the right at all times to maintain control of the conduct of the defense.

10.11. Grantor warrants and represents that, as of the date hereof, neither Grantor nor any Artist is a resident of the State of California. Grantor shall notify RAF immediately in the event that Grantor and/or any member of Artist becomes a resident of the State of California.

10.12. The copyright proprietors of all Compositions not licensed under Article 9 and embodied on Master Recordings hereunder shall issue to RAF, promptly upon RAF's request therefor, mechanical licenses (including, without limitation, and, where applicable, so-called "first use" licenses) on terms no less favorable to RAF than those contained in the standard mechanical license issued by the Harry Fox Agency, it being expressly understood and agreed that nothing contained in this paragraph 10.12 shall operate or be deemed to operate in derogation of RAF's rights under Article 9 hereof.

10.13. During the Term hereof, Grantor shall use Grantor's best efforts to cause Artist to be billed, advertised and described in all commercial contexts as an "exclusive recording artist" of RAF or its label designee.

10.14. Neither Grantor nor Artist shall exercise any legal rights which Grantor or Artist may have pursuant to the laws of any jurisdiction (including, without limitation, any right of publicity, right of privacy or any federal or state statutory or common law right) in any manner which would impair, limit or otherwise derogate from the rights herein granted to RAF and its licensees and assignees to own and/or exploit Master Recordings, Artwork and/or Artist's name and likeness hereunder, or any Phonograph Records or other materials derived therefrom.

11. FAILURE OF PERFORMANCE

11.01. RAF reserves the right by written notice to Grantor to suspend the operation of this agreement and its obligations hereunder for the duration of any contingencies by reason of which RAF is materially hampered in its recording, manufacture, distribution or sale of Records, or its normal business operations become commercially impracticable: for example, labor disagreements; fire; catastrophe; shortage of materials; or any cause beyond RAF's control. A number of days equal to the total of all such days of suspension may be added to the Contract Period in which such contingency occurs and the dates for the exercise by RAF of its options as set forth in Article 1, the dates of commencement of subsequent Contract Periods and the Term shall be deemed extended accordingly. No suspension imposed under this paragraph 11.01 shall exceed six (6) months unless such contingency is industry-wide, in which event RAF shall have the right to suspend the applicable Period for the duration of such contingency. If such suspension is not industry-wide, Grantor may request RAF by notice in writing given at any time after the expiration of such six (6) month period to terminate the suspension within thirty (30) days following RAF's receipt of Grantor's said notice. If RAF does not so terminate the suspension, the Term of this agreement will terminate at the end of such thirty (30) day period, or at such earlier date as RAF may designate in writing, and the parties shall be deemed to have fulfilled all their obligations hereunder except those obligations which survive such termination, such as warranties, re-recording restrictions, and the obligation to pay royalties, if payable.

11.02. If in respect of any Contract Period RAF, except for reasons set forth in paragraph 11.01 above, refuses without cause to allow Grantor to fulfill the Minimum Recording Obligation for such Period, and if no later than sixty (60) days after that refusal takes place,

Grantor notifies RAF in writing of Grantor's desire to fulfill such Minimum Recording Obligation, then if RAF does not allow Grantor either to record sufficient Master Recordings to fulfill the Minimum Recording Obligation within sixty (60) days of receipt of such notice, or commence recording of such Minimum Recording Obligation if it cannot be recorded within said sixty (60) days, the Term of this agreement shall terminate upon the expiration of such sixty (60) day period. Upon such termination all parties shall be deemed to have fulfilled all of their obligations hereunder except for those obligations which survive the termination of the Term such as warranties, re-recording restrictions, and the obligation to accrue and pay royalties, if payable, and RAF shall pay, in full settlement of its obligations in connection with such unrecorded Album(s), the applicable amounts set forth below, as reduced by any and all Advances paid by RAF with respect to such unrecorded Album(s), which amounts shall constitute Advances hereunder. This shall be Grantor's sole remedy in connection with RAF's failure to allow Grantor to fulfill the Minimum Recording Obligation. If Grantor shall fail to give notice to RAF within the period specified therefor, RAF shall be under no obligation for its failure to allow Grantor to fulfill such Minimum Recording Obligation.

(a) If such unrecorded Album is the first Album of the Minimum Recording Obligation for the Initial Period, such payment shall be equal to union scale for the Minimum Recording Obligation not fulfilled for the first Contract Period, less any and all Advances previously paid by RAF with respect to such unrecorded Master Recording(s);

(b) If such unrecorded Album is other than the first Album of the Minimum Recording Obligation, such payment shall be equal to the difference between the Recording Fund for such unrecorded Album and the Recording Costs for the immediately preceding Album less any Advances previously paid to Grantor, provided that in no event shall such payment exceed one-third (1/3) of the Recording Fund payable with respect to such Album; in the event Recording Costs were paid by Grantor, such calculation will not be made until Grantor has provided satisfactory documentation to establish the amounts of such Recording Costs.

12. ADDITIONAL REMEDIES

12.01. (a) Without limitation of any other rights and remedies of RAF, if Grantor fails to record and deliver Recordings within ninety (90) days following the date required hereunder and in accordance with Articles 3 and 4, then RAF may, at its election, suspend its obligations hereunder for a number of days equal to the number of days between the last date on which Grantor is scheduled to deliver Master Recordings and the date on which Grantor actually delivers such Master Recordings, in which event the then current Contract Period, the date for exercise of RAF's options to extend the Term, the dates of commencement of subsequent Contract Periods, and the Term may be extended accordingly. If any such failure exceeds ninety (90) days, in addition to its other rights and remedies, RAF may, at its election, demand reimbursement from Grantor of all monies theretofore paid, excluding third party Recording Costs, but including, without limitation, any monies paid pursuant to paragraph 6.01 above, with respect to the applicable Master Recordings (and Grantor shall immediately make such reimbursement) and/or deduct such costs (including any such third party Recording Costs) from any payments to be made hereunder and/or terminate this agreement by written notice to Grantor and upon such termination RAF shall have no obligations to Grantor hereunder except the obligation to account and pay royalties, if payable.



(b) Notwithstanding anything to the contrary set forth in paragraph 12.01(a), if Artist's voice or ability to perform as an instrumentalist shall become impaired or if Artist is unable to fulfill any of Grantor's obligations hereunder, including, without limitation, Grantor's obligation to record for and deliver to RAF Masters within the time periods set forth in Articles 3 and 4 above, RAF may, without limiting RAF's other rights or remedies, terminate the Term upon written notice to Grantor, in which event RAF shall have no obligations or liabilities to Grantor under this agreement, except for RAF's obligations, if any, with respect to Masters recorded prior to that termination. If RAF so terminates the Term, Grantor shall pay RAF, on demand, an amount equal to any unrecouped Advances hereunder, other than any Advances attributable to and paid in respect of an Album theretofore delivered by Grantor to RAF and/or any third party Recording Costs with respect to Masters commenced hereunder but not completed prior to Artist's failure described in this paragraph 12.01(b) above.

12.02. Without limiting any other rights of RAF, it is specifically understood and agreed that in the event of Grantor's dissolution or the liquidation of Grantor's assets, or the filing of a petition in bankruptcy or insolvency or for an arrangement or reorganization by, for or against Grantor, or in the event of the appointment of a receiver or a trustee for all or a portion of Grantor's property, or if Grantor shall make an assignment for the benefit of creditors or commit any act for or in bankruptcy or become insolvent or if Grantor shall fail to fulfill its obligations under this agreement, RAF shall have the option by notice to Grantor either to terminate the Term of this agreement or to require that Artist render Artist's personal services directly to RAF for the remaining balance of the Term upon all the same terms and conditions as are herein contained. In such event Artist shall be deemed substituted for Grantor as a party to this agreement as of the date of RAF's option exercise, and, in respect of Master Recordings recorded subsequently, the royalties and any Advances payable hereunder shall be reduced to two-thirds (2/3) of the amounts prescribed in this agreement.

12.03. If Artist notifies RAF that Artist will no longer render services to Grantor as required by RAF, other than for the reasons set forth in paragraph 12.02 above, then RAF shall have the same options as set forth in such paragraph 12.02, except that, at RAF's election, in lieu of the provisions of the last sentence of paragraph 12.02, RAF may withhold payments to Artist and Grantor pending settlement of any disputes between Grantor and Artist with respect to the subject matter hereof and/or divide payments to Grantor hereunder between Artist and Grantor in the manner Grantor shares such payments with Artist under its contract with Artist (except that any such payments in dispute between Artist and Grantor shall be withheld by RAF).

12.04. It is recognized, and Grantor's agreement with Artist shall acknowledge, that Artist's services are of special, unique, unusual, extraordinary and intellectual character involving skill of the highest order which gives them a peculiar value, the loss of which cannot be reasonably or adequately compensated for by damages in an action at law. Inasmuch as any breach of this agreement (and/or Grantor's agreement) with respect to such services would cause RAF irreparable damage, RAF shall be entitled to injunctive and other equitable relief, in addition to whatever legal remedies are available to RAF, to prevent or cure any such breach or threatened breach. The preceding sentence will not be construed to preclude Grantor or Artist from opposing any application for such relief based upon contest of the facts alleged by RAF in support of the application.

12.05. The rights and remedies of RAF as specified in this agreement are not to the exclusion of each other or of any other rights or remedies of RAF; RAF may decline to exercise any one or more of its rights and remedies as RAF may deem fit, without jeopardizing any other rights and remedies of RAF; and all of RAF's rights and remedies in connection with this agreement shall survive the expiration or other termination of the Term. Notwithstanding the specific rights granted to RAF anywhere in this agreement, RAF may at any time exercise any right which it now or at any time hereafter may be entitled to as a member of the public as though this agreement were not in existence.

13. DEFINITIONS

13.01. "Advance": An "Advance" constitutes a prepayment of royalties and shall be charged against and shall be recoupable from all royalties (excluding mechanical royalties, other than as expressly permitted herein) accruing hereunder.

13.02. "Album

13.03. "Ancillary Website Exploitation

13.04. (a) "Audio-Visual Devices": All forms of reproductions of Audio Visual Recordings now or hereafter known, manufactured or distributed primarily for home and/or jukebox use and/or use on or in means of transportation.

(b) "Audio-Visual Recordings" means every form of recording embodying performances of Artist wherein are fixed visual images, whether of Artist or otherwise, together with sound.

13.05. "Armed Forces Post Exchanges": United States military posts, ships' stores or other United States armed forces facilities, including, without limitation, federal, state and/or local governments.

13.06. "Base Price":

(a) With respect to Records other than compact discs and Audio-Visual Devices, the Base Price is the "Retail List Price", defined as RAF's suggested retail list price (or the equivalent price category) in the United States for records sold in the United States, and, with respect to Records sold outside the United States, an equivalent of or substitute for an actual or hypothetical retail price ("Retail-related Base") as may be established by RAF or its licensee(s) in conformity with the general practice of the Record industry in such country, or otherwise, provided that RAF may but shall not be obligated to utilize the price adopted by the local mechanical copyright collection agency as the basis for the collection of mechanical

copyright royalties. Notwithstanding anything to the contrary expressed or implied in the preceding sentence, it is understood and agreed that if a Retail-related Base cannot be established in a particular country, the Base Price shall be that amount equal to the lowest wholesale price payable by the largest category of RAF's customers in the normal course of business with respect to such Records sold for distribution during the applicable semi-annual accounting period, multiplied by one hundred twenty-six percent (126%), provided however, that if a published price to dealers ("ppd") exists in the applicable country of sale then RAF may apply the ppd in lieu of the lowest wholesale price.

(b) With respect to Records in the form of compact discs sold for distribution in the United States, the Base Price shall be that amount equal to the lesser of (i) the suggested retail list price in the United States for Records in the form of compact discs, provided such suggested retail list price exists, or (ii) the lowest wholesale price payable by the largest category of RAF's customers in the normal course of business with respect to compact discs embodying such Records sold for distribution during the applicable semi-annual accounting period, multiplied by one hundred and thirty percent (130%). With respect to compact discs sold for distribution outside the United States, the Base Price shall be that amount equal to the lesser of (i) the suggested retail list price in the applicable country for Records in the form of compact discs, provided such suggested retail list price exists, or (ii) the lowest wholesale price payable by the largest category of RAF's customers in the normal course of business with respect to compact discs embodying such Records sold for distribution during the applicable semi-annual accounting period, multiplied by one hundred twenty-six percent (126%), provided however, that if a published price to dealers ("ppd") exists in the applicable country of sale then RAF may apply the ppd in lieu of the lowest wholesale price.

(c) With respect to Audio-Visual Devices sold in the United States, the Base Price is the net amount actually received by RAF from its customers for the Audio-Visual Device concerned. With respect to Audio-Visual Devices sold outside of the United States, the Base Price is the basis on which RAF is accounted to by its licensees.

(d) Notwithstanding anything to the contrary contained herein, the Base Price for premium Records and Records exploited pursuant to paragraph 7.07 hereof, shall, at RAF's election, be RAF's or its affiliates' actual sales price of such Records.

(e) Notwithstanding the foregoing terms of this paragraph 13.06, the Base Price of Records sold by RAF through Normal Retail Channels in the United States through an alternative means of distribution shall be reduced in the same proportion as the otherwise applicable wholesale price of the same or equivalent Record is reduced by RAF for sales of such Record through such alternate method.

13.07. (a) "Budget Records": Albums sold in a particular country of the Territory outside the United States at a Base Price which is eighty percent (80%) or less of the Base Price in such country of the Territory for top "pop" Albums of the configuration concerned; and Albums sold in the United States at a Base Price which is seventy percent (70%) or less of the Base Price in the United States for top "pop" Albums of the configuration concerned.

(b) "Mid-Price Records": Albums sold in the United States at a Base Price which is less than eighty percent (80%) but more than seventy percent (70%) of the Base Price in



the United States for top "pop" Albums of the configuration concerned.

13.08. "Composition": A musical composition or medley consisting of words and/or music, or any dramatic material, whether in the form of instrumental and/or vocal music, prose or otherwise, irrespective of length.

13.09. "Controlled Composition": Any Composition wholly or partly written, composed, owned or controlled directly or indirectly by Artist and/or Grantor and/or any individual producer of Master Recordings and/or any Person affiliated with one or more of the foregoing or in which one or more of the foregoing has a direct or indirect interest.

13.10. "Container Charge": Twelve and one-half percent (12-1/2%) of the Base Price for a single-fold disc Album in a standard sleeve with no inserts, a Long-Play disc Single or for a disc Single; fifteen percent (15%) of the Base Price for a disc Album in a double fold jacket or non-standard sleeve or jacket or with inserts; twenty percent (20%) of the Base Price for a pre-recorded analog tape and twenty-five percent (25%) of the Base Price for compact discs or for any other Record (excluding Audio-Visual Devices) other than as expressly provided for in this paragraph 13.10 (unless RAF applies the dollar-and -cents royalty provisions of paragraph 7.04(b)). No Container Charge will be deducted for Singles in stock paper sleeves.

13.11. "Contract Period": The Initial Period or an Option Period as defined in Article 1 hereof.

13.12. "Digital Master": A fully mixed, edited, equalized and leadered digital stereo tape master ready for the production of parts from which satisfactory Records can be manufactured.

13.13. (a) "ECD Material": All material acquired or created for inclusion in the "enhanced" or multimedia portion of an enhanced CD, CD Plus, CD ROM, DVD, or any other similar configuration, whether now known or hereafter created, (including, without limitation, Videos, photography, graphics, technology, software, so-called "hyperlinks" to URLs, etc.).

(b) "Mobile Material": artwork, images, biographies, text, Voice Messages, graphics, "wallpaper" and/or other materials (excluding Master Recordings) transmitted to an end user's mobile telephone or personal digital assistant (or other personal communication device).

13.14. "Electronic Transmission": Any transmission to the consumer, whether sound alone, sound coupled with an image, or sound coupled with data, in any form, analog or digital, now known or later developed (including, but not limited to, "cybercasts", "webcasts", "streaming audio", "streaming audio/video", "digital downloads", direct broadcast satellite, point-multipoint satellite, multipoint distribution service, point-point distribution service, cable system, telephone system, broadcast station, and any other forms of transmission now known or hereafter devised) whether or not such transmission is made-on-demand or near on-demand, whether or not a direct or indirect charge is made to receive the transmission and whether or not such transmission results in a specifically identifiable reproduction by or for any transmission recipient. All references in this Agreement to the "distribution" of Records, unless expressly provided otherwise, shall be understood to include the distribution of records by way of Electronic Transmission thereof.

13.15. "EP Record": A Phonograph Record embodying no less than five (5) and no more than seven (7) Sides, containing no less than twenty (20) minutes of playing time.

13.16. "RAF Frames": any so-called browser frames which reside outside of the RAF Artist Website and which are common to one or more of RAF's main web pages.

13.17. "Joint Recording": Any Master Recording embodying Artist's performances together with the performances of any other Person in respect of which RAF is obligated to pay royalties to a third party.

13.18. "LP": A Phonograph Record embodying no less than ten (10) Sides, containing no less than forty-five (45) minutes of playing time.

13.19. "Long Play Single": A 12-inch vinyl disc Phonograph Record or its non-vinyl equivalent usually embodying three (3), but no more than four (4) Sides.

13.20. "Master", "Recording", "Master Recording": Any recording of sound, whether or not coupled with a visual image, by any method and on any substance or material, whether now or hereafter known, including Audio-Visual Recordings, intended for reproduction in the form of Phonograph Records, or otherwise.

13.21. "Net Sales": Sales of Records hereunder, paid for, less returns and credits. Net Sales shall specifically exclude the following:

(a) (i) Records given away gratis or sold for fifty percent (50%) or less of the Gross Price (as hereinafter defined); Records distributed for publicity, advertising or promotional purposes to disc jockeys, radio or television stations, publishers, distributors, dealers, consumers, or others and Records sold as cutouts, surplus or for scrap.

(ii) Free or bonus Records given away together with Records sold for monetary consideration (sometimes referred to as "free goods"). The number of Records automatically deemed not sold for royalty purposes under this paragraph 13.21(a)(ii) shall not exceed RAF's standard discount limitation in effect at the time of shipment of the particular Records, which as of the date of this agreement RAF represents is for Singles and Long-Play Singles, 23.08% of the gross total distributed and, for Albums, 15% of the gross total distributed.

(iii) Free or bonus Records given away pursuant to special sales Plans of limited duration in addition to free goods. Notwithstanding the foregoing, special sales plans for Albums sold through Normal Retail Channels in the United States shall not, without Grantor's prior consent, exceed an additional twelve percent (12%) of the gross total distributed, provided however, that if such special sales plans do exceed twelve percent (12%), Grantor will be paid Grantor's normal royalty on all Albums distributed through such plans in excess of such twelve percent (12%).

(iv) To the extent that Records hereunder are sold subject to a sales plan entailing a selling price for such Records reduced by a percentage discount from RAF's or its licensee's "Gross Price" (i.e., the selling price to distributors before any discounts or



free goods or bonus plans), the number of such Records deemed to be Net Sales shall be determined by reducing the number of Records actually sold by the percentage of discount granted applicable to such sale.

(b) Without limitation of the generality of paragraph 13.21(a) above, RAF shall have the right to deduct from the number of Records sold returns and credits of any nature, including without limitation: (i) those on account of any return or exchange privilege; (ii) defective merchandise; and (iii) errors in billing or shipment, provided that returns shall be pro-rated between royalty-bearing and non-royalty-bearing Records in the same proportion as actually shipped.

(c) Without limitation of the foregoing, royalties shall not be payable with respect to distributions which are not Net Sales and the terms "Net Sales" and/or "net royalty-bearing sales" shall not include the sales described in paragraphs 13.21(a) and 13.21(b) and shall not include any sales which are being held as royalty reserves.

13.22. "Non-Affiliated Third Parties": Persons other than RAF or other members of the Universal Music Group ("UMG") as now or hereafter constituted, and other than Persons as to which RAF or UMG now or hereafter directly or indirectly holds more than a fifty percent (50%) interest or control (including joint ventures) or Persons in which the principals of RAF or UMG now or hereafter collectively hold more than a fifty percent (50%) interest or control.

13.23. "Normal Retail Channels": Normal retail distribution channels excluding sales of Records described in paragraphs 7.05(c) and (d), 7.06 and 7.07 herein.

13.24. "Person": Any individual, corporation, partnership, association, or other entity, or the legal successors or representative of any of the foregoing.

13.25. "Recording Costs": All costs, including, without limitation, preproduction and post-production costs, incurred for and with respect to the production of Master Recordings. Recording Costs include without limitation, union scale; payments for musicians, vocalists, conductors, arrangers, orchestrators, copyists, etc.; payments required by any agreement between RAF and any labor organization; producer's fees; sample fees and clearance costs; studio charges; costs of tape, editing, mixing, mastering to tape, reference discs, and engineering; expenses of travel, per diems (excluding any RAF personnel, except if such personnel is engaged by RAF pursuant to the provisions of paragraph 10.06(b) above), rehearsal halls and vocal coaching; costs of non-studio facilities and equipment; dubbing; costs and transportation of instruments including cartage and rental fees; and other costs and expenses incurred in producing Master Recordings and other costs which are customarily recognized as recording costs in the Phonograph Record industry. Recording Costs shall not include so-called "per Record" costs required to be paid pursuant to any agreement with the AFoF, AFTRA or any equivalent. Notwithstanding the foregoing, in the event RAF elects to remix any of the Master Recordings delivered hereunder after the delivery to RAF of the applicable Master Recording pursuant to the terms set forth herein, such remix costs shall constitute an Advance herein, but such amounts shall not reduce the Recording Fund for such applicable Album.

13.26. "Records", "Phonograph Records": Any device now or hereafter known, on or by which sound may be recorded and reproduced, which is manufactured or distributed primarily



for home and/or consumer and/or jukebox use and/or use on or in means of transportation including "sight and sound" devices or Audio-Visual Devices.

13.27. "Royalty Base":

(a) The Base Price less all excise, sales and similar taxes and less the applicable Container Charges, if any.

(b) RAF may at any time and from time to time change the method by which it computes royalties in the United States from a retail basis to some other basis (the "New Basis"), such as, without limitation, a wholesale basis. The New Basis will replace the then-current Royalty Base and the royalty rates shall be adjusted to the appropriate royalty which would be applied to the New Basis so that the dollars-and-cents royalty amounts payable with respect to the top-line product through Normal Retail Channels as of the date of such change would be the same as that which was payable immediately prior to such New Basis; for sales other than top-line product, for which there is a New Basis, the adjusted royalty rate shall be reduced in the ratio of the royalty rate for such sales to the royalty rates for sales of top-line product. If there are other adjustments made by RAF that would otherwise make the New Basis more favorable (a particular example of which might be the distribution of smaller quantities of free goods than theretofore distributed) then the benefits of such other adjustments will be taken into consideration in adjusting the royalty rate.

13.28. "Side": A Recording embodying Artist's performance of one (1) Composition or the equivalent thereof, containing no less than two and one half (2-1/2) minutes of continuous sound.

13.29. "Single": A 7-inch vinyl disc Phonograph Record or its non-vinyl equivalent embodying no more than two (2) Sides.

13.30. "Statutory Rate": The minimum statutory compulsory license rate applicable to a Composition of less than five (5) minutes under the copyright laws of the United States. On Records sold in Canada, the prevailing rate agreed upon by the Canadian recording industry and the Canadian music publishing industry or its mechanical collection representative which is applicable to the reproduction of musical compositions, provided however, in no event shall the Canadian Statutory Rate be greater than the United States Rate.

13.31. "Top-Line": with respect to Audio-Visual Devices, a price line with a wholesale price that equates to a suggested retail list price of Nineteen Dollars and Ninety-Five Cents (U.S. \$19.95) or more, or outside the United States, the customary top-line price in the applicable territory.

13.32. "Video Costs": Any and all costs incurred by RAF in connection with the production or exploitation of Videos and/or the acquisition of rights with respect thereto.

13.33. "Videos": A so-called "short-form" Audio-Visual Recording.

13.34. "Website": A series of one (1) or more interconnected documents or files that are formatted using the Hypertext Markup Language, or any similar language, and that are

intended to be accessible by Internet users.

13.35. "Website Material": All material acquired or created for inclusion on an Artist Website (including, without limitation, Videos, photography, graphics, technology, so-called "hyperlinks" to URLs, on-line chats, and electronic press kits or so-called "EPK"s).

14. MISCELLANEOUS

14.01. Wherever Grantor's approval or consent is required, Grantor shall give RAF written notice of approval or disapproval (the reasons for such disapproval being specifically stated) within seven (7) business days after RAF requests same. If Grantor shall fail to give such notice to RAF as aforesaid, Grantor shall be deemed to have given such consent or approval.

14.02. Any promotional efforts or expenditures made by Grantor or by any Person on behalf of Grantor in connection with any Records hereunder shall be in accordance with applicable legal standards, including Sections 317 and 508 of the Communications Act of 1934, as amended. In the event Grantor is in breach of the preceding sentence, RAF may, without limiting its rights, terminate the Term of this agreement.

14.03. Grantor recognizes that the sale of Records is speculative and agrees that the judgment of RAF with regard to any matter affecting the sale, distribution and exploitation of Records hereunder shall be binding and conclusive upon Grantor. Nothing contained in this agreement shall obligate RAF to make, sell, license, or distribute Records manufactured from the Sides recorded hereunder other than as specifically provided herein. The method, manner and extent of release, packaging, promotion, advertising, distribution and exploitation of Master Recordings and Records shall be within the sole discretion of RAF unless otherwise herein specifically provided.

14.04. RAF may, at its election, assign this agreement or any of its rights.hereunder to any subsidiary, affiliate or division of RAF or The Universal Music Group ("UMG"), or any entity that is owned or controlled (in whole or in part) by RAF or UMG, to any subsidiary or licensee in which RAF or UMG now has or may hereafter acquire a substantial interest, or to any entity that merges its assets with those of RAF or UMG or the assets of which are acquired by RAF or UMG, by lease or otherwise, or to any entity acquiring all or a substantial portion of RAF's or UMG's assets, and such rights may be similarly assigned by any assignee.

14.05. All notices required to be given to RAF shall be sent to RAF at its address first mentioned herein, and all royalties, royalty statements and payments and any and all notices to Grantor shall be sent to Grantor at its address first mentioned herein, or such other address as each party respectively may hereafter designate by notice in writing to the other. All notices sent under this agreement shall be in writing and, except for royalty statements shall be sent by registered or certified mail, return receipt requested, and the day of mailing of any such notice shall be deemed the date of the giving thereof (except notices of change of address, the date of which shall be the date of receipt by the receiving party). All notices to RAF shall be served upon RAF to the attention of the Senior Vice President, Business & Legal Affairs of The Island Def Jam Music Group.

14.06. It is expressly understood and agreed that, RAF shall not be entitled to recover

damages by reason of any breach by Grantor of Grantor's material obligations hereunder, unless Grantor has failed to remedy such breach within thirty (30) days following receipt of RAF's notice thereof; or, if the breach cannot be reasonably cured within said thirty (30) day period, if Grantor does not commence to cure such breach within said thirty (30) day period and diligently continue to so cure thereafter.

14.07. THIS AGREEMENT IS ENTERED INTO IN THE STATE OF NEW YORK AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF NEW YORK APPLICABLE TO CONTRACTS ENTERED INTO AND TO BE WHOLLY PERFORMED THEREIN (WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAWS PRINCIPLES UNDER NEW YORK LAW). THE PARTIES AGREE THAT ANY ACTION, SUIT OR PROCEEDING BASED UPON ANY MATTER, CLAIM OR CONTROVERSY ARISING HEREUNDER OR RELATING HERETO SHALL BE BROUGHT SOLELY IN THE STATE COURTS OF OR THE FEDERAL COURT IN THE STATE AND COUNTY OF NEW YORK; EXCEPT THAT IN THE EVENT RAF IS SUED OR JOINED IN ANY OTHER COURT OR IN ANY OTHER FORUM IN RESPECT OF ANY MATTER WHICH MAY GIVE RISE TO A CLAIM BY RAF HEREUNDER, THE PARTIES HERETO OTHER THAN RAF CONSENT TO THE JURISDICTION OF SUCH COURT OR FORUM OVER ANY CLAIM WHICH MAY BE ASSERTED BY RAF THEREIN. THE PARTIES HERETO IRREVOCABLY WAIVE ANY OBJECTION TO THE VENUE OF THE ABOVE-MENTIONED COURTS, INCLUDING ANY CLAIM THAT SUCH ACTION, SUIT OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. ANY PROCESS IN ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY, AMONG OTHER METHODS PERMITTED BY LAW, BE SERVED UPON GRANTOR BY DELIVERING OR MAILING THE SAME IN ACCORDANCE WITH PARAGRAPH 14.05 HEREOF. ANY SUCH PROCESS MAY, AMONG OTHER METHODS, BE SERVED UPON ARTIST OR ANY OTHER PERSON WHO APPROVES, RATIFIES, OR ASSENTS TO THIS AGREEMENT TO INDUCE RAF TO ENTER INTO IT, BY DELIVERING THE PROCESS OR MAILING IT TO ARTIST OR THE OTHER PERSON CONCERNED IN THE MANNER PRESCRIBED IN PARAGRAPH 14.05.

14.08. The invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of any other provision hereof. This agreement constitutes the entire agreement and supercedes all other prior agreements, understandings, representations and warranties, both written and oral, between the parties, with respect to the subject matter hereof. The parties expressly acknowledge that in entering this agreement, they have not relied on any representations, written or unwritten, other than those expressly set forth herein. No modification, amendment, waiver, termination or discharge of this agreement shall be binding upon RAF and Grantor unless confirmed by a written instrument specifically referring to and amending this agreement which is signed by the Senior Vice President of Business & Legal Affairs of RAF and Grantor.

14.09. The parties hereto agree to maintain the confidentiality of any and all financial terms of this agreement and to refrain from disclosing same to any third party provided, however, that: (a) either party shall have the right to disclose such terms to its parents, subsidiaries and/or affiliated companies, and/or to their officers, directors, employees and



representatives (collectively, the "Representatives") solely for the purpose of exercising the rights or obligations hereunder and/or to administer this agreement, and subject always to the terms of this paragraph 14.09; and (b) if either party or any of its Representatives becomes legally compelled (by deposition, interrogatories, requests for documents, subpoena, civil investigative demand or similar process) to disclose any such financial terms, such disclosure pursuant thereto shall not be deemed a breach of this paragraph (provided, further, however that the party legally compelled to make such disclosure shall promptly notify the other party hereto of such fact prior to making such disclosure).

14.10. Grantor understands and acknowledges that this agreement is a valid and binding legal document which affects the legal and financial interests of Grantor. Grantor acknowledges that Grantor has had ample opportunity to read the agreement and that Grantor understands the terms and conditions set forth in the agreement. Grantor hereby acknowledges that RAF has advised Grantor to obtain independent legal counsel in connection with the execution of this agreement and Grantor further acknowledges that it has either obtained such independent legal counsel or has voluntarily waived its right to do so.

14.11. This agreement shall not be construed against either party as the drafter, it being agreed that this agreement has been drafted jointly by the parties.

14.12. This document may be signed in counterparts, and may be executed and delivered by facsimile, which when taken together will have the same effect as if signed in its original by both parties.

ROCK THE WORLD, LLC


An Authorized Representative

THE ISLAND DEF JAM MUSIC GROUP,
a division of UMG Recordings, Inc.

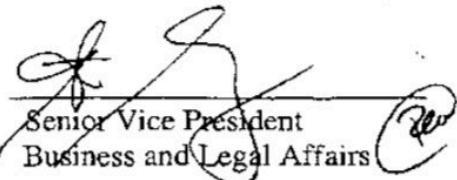

Senior Vice President
Business and Legal Affairs

EXHIBIT "A"

Dated as of: April 13, 2005

THE ISLAND DEF JAM MUSIC GROUP,
a division of UMG Recordings, Inc.
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019

Gentlemen:

Pursuant to an exclusive recording agreement (the "Recording Contract") between Rock The World, LLC ("Grantor") and me, Grantor is entitled to my exclusive services as a recording artist. I have been advised that Grantor is entering into a written agreement with you of even date herewith (the "Agreement"), pursuant to which Grantor is agreeing to furnish my exclusive services as a recording artist. Unless otherwise defined herein, all terms shall have the same meaning as given them in the Agreement.

In consideration of your entering into the Agreement and as a further inducement for you to do so, I hereby represent and agree as follows:

1. I have read the Agreement, and I fully understand and agree to be bound by all of the terms thereof (including, without limitation, any and all provisions, obligations, representations, warranties and/or restrictions which relate to me in any way). I hereby assent to you and Grantor entering into the Agreement. I hereby acknowledge that you have advised me to obtain independent legal counsel in connection with the execution of the Agreement and this letter agreement. I further acknowledge that, with respect to each of the Agreement, this letter agreement and the Recording Contract, I have either obtained independent legal counsel or have voluntarily waived my right to do so.

2. I will fully and to the best of my ability perform and discharge all of the obligations undertaken by me pursuant to the provisions of the Recording Contract, as well as all of the obligations, warranties, representations and undertakings contained in the Agreement which relate to me in any way.

3. (a) If, during the Term of the Agreement, Grantor shall cease to be entitled to my services as a recording artist, or if Grantor shall fail or refuse to fulfill any of its obligations under the Agreement, then I shall, at your written request (the "Request"), for the remainder of the Term of the Agreement and upon the terms and conditions set forth therein (except as provided in paragraph 3(b) below), be deemed substituted for Grantor as a party to the Agreement as of the date of the Request. Without limiting the foregoing, in such event, I shall do all such acts as shall afford you the same



rights, privileges, and benefits as you would have had under the Agreement if Grantor had continued to be entitled to my recording services, and to fulfill all of its obligations under the Agreement; and such rights, privileges, and benefits shall be enforceable by you directly against me.

(b) Notwithstanding the foregoing, in the event I am substituted for Grantor as a party to the Agreement, the following shall apply with respect to advances and royalties (including, without limitation, Advances and royalties payable by you pursuant to the Agreement) in respect of Master Recordings embodying my performances:

(i) With respect to Master Recordings embodying my performances which are recorded after the date of the Request, you shall have the right, in your discretion:

(A) To suspend payment of all monies to me and/or Grantor (whether Advances, royalties or otherwise, and whether pursuant to the Recording Contract, the Agreement or otherwise), pending settlement of any disputes between me and Grantor with respect thereto; or

(B) To suspend payment of all Advances to Grantor under the Agreement, pending settlement of any disputes between me and Grantor with respect thereto; to pay directly to me all advances payable pursuant to the Recording Contract; to pay directly to me royalties at a rate not in excess of the royalty rate provided for in the Recording Contract; and to hold the balance of all other royalties payable pursuant to the Agreement, pending final settlement of any disputes between me and Grantor with respect thereto.

(ii) With respect to Master Recordings embodying my performances which are recorded prior to the date of the Request, I shall continue to look to Grantor for payment of any and all advances and royalties payable to me in respect thereof.

4. Except as provided in paragraph 3(b) above, I will look solely to Grantor for the payment of any and all monies payable to me in respect of services rendered by me and/or Recordings embodying my performances pursuant to the Recording Contract and/or in accordance with the Agreement and/or your manufacture, distribution, sale or other use or exploitation of any such Recordings; and you shall have no responsibility to me whatsoever for any such payments.

5. In accordance with the provisions of paragraph 10.10 of the Agreement, I agree to and do hereby indemnify, save and hold you harmless of and from any and all liability, loss, damage, cost or expense (including attorneys' fees) arising out of or connected with any breach or alleged breach of this agreement, the Agreement or the Recording Contract or any claim which is inconsistent with any of the warranties or representations contained in this agreement, the Agreement or the Recording Contract,



and agree to reimburse you on demand for any payment made or incurred by you with respect to any of the foregoing. Pending final determination of any claim involving such alleged breach or failure, you may withhold sums due me.

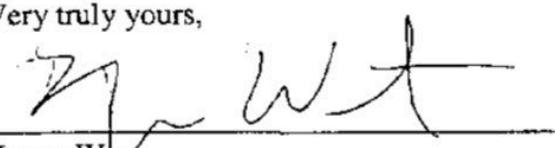
6. If there is more than one (1) individual signing this agreement on behalf of Artist, then all references to "I", "me" and "my" shall be deemed references to "we", "us" and "our", respectively; all of our obligations hereunder and under the Agreement shall be joint and several; and your rights hereunder and under the Agreement shall apply to each of us individually and collectively.

7. THE PROVISIONS OF PARAGRAPH 14.07 OF THE AGREEMENT SHALL ALSO APPLY TO THIS AGREEMENT.

8. This agreement may not be modified except by an instrument in writing executed by all parties hereto. The invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of any other provision hereof.

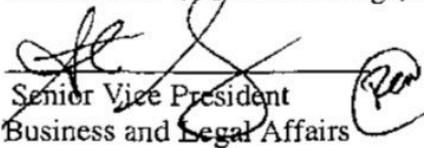
9. This document may be signed in counterparts, and may be executed and delivered by facsimile, which when taken together will have the same effect as if signed in its original by both parties.

Very truly yours,


Kanye West

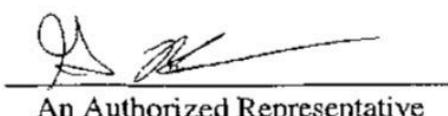
ACCEPTED AND AGREED:

THE ISLAND DEF JAM MUSIC GROUP,
a division of UMG Recordings, Inc.


Senior Vice President
Business and Legal Affairs

CONSENTED AND AGREED:

ROCK THE WORLD, LLC


An Authorized Representative

Roc-A-Fella Records, LLC
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019

Dated as of January 11, 2011

Roc The World, LLC
c/o West Entertainment Services
1790 Broadway, 10th Floor
New York, New York 10019
Attention: Louise West, Esq.

Re: Roc-A-Fella Records, LLC – w – Roc The World, LLC / Kanye West / Jay Z Duet Album

Dear Sir / Madam:

Reference is made to the exclusive recording agreement (the “Agreement”) dated as of April 13, 2005 by and between Roc-A-Fella Records, LLC (“RAF”) and Roc The World, LLC (the “Grantor”) f/s/o Kanye West (the “Artist”), as amended and in full force and effect as of the date hereof. For good and valuable consideration, the receipt of which Grantor hereby acknowledges, notwithstanding anything to the contrary expressed or implied in the Agreement, the following shall constitute the further understanding between RAF and Grantor with respect to the Agreement:

1. MINIMUM RECORDING OBLIGATION: Grantor agrees to deliver to RAF one (1) Album (the “Duet Album”) which shall embody the musical performances of Artist and Shawn Carter p/k/a “Jay-Z”. Grantor acknowledges and agrees that the Duet Album shall be delivered to RAF in accordance with the terms and procedures of the Agreement for the delivery of Albums thereunder. For the avoidance of doubt, the Duet Album shall not be deemed in fulfillment of any portion of the Minimum Recording Obligation under the Agreement.

2. RECORDING FUND: RAF shall pay Recording Costs for the Duet Album as provided below. Such Recording Costs shall be deemed Advances and recoupable from royalties accruing to Grantor’s account hereunder as provided below. The Recording Fund for the Duet Album shall be Two Million Five Hundred Thousand Dollars (\$2,500,000) (the “Duet Album Recording Fund”). One Million Dollars (\$1,000,000) of the Duet Album Fund (the “Duet Album Advance”) shall be paid to Grantor promptly following the complete execution hereof. The balance of the Duet Album Recording Fund (\$1,500,000) shall be administered by RAF and if, after deduction of all Recording Costs paid or incurred by RAF in connection with such Duet Album, with an allowance for a reasonable provision for recording costs (including



Roc-A-Fella Records, LLC
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019

Dated as of January 11, 2011

Roc The World, LLC
c/o West Entertainment Services
1790 Broadway, 10th Floor
New York, New York 10019
Attention: Louise West, Esq.

Re: Roc-A-Fella Records, LLC – w – Roc The World, LLC / Kanye West / Jay Z Duet Album

Dear Sir / Madam:

Reference is made to the exclusive recording agreement (the “Agreement”) dated as of April 13, 2005 by and between Roc-A-Fella Records, LLC (“RAF”) and Roc The World, LLC (the “Grantor”) f/s/o Kanye West (the “Artist”), as amended and in full force and effect as of the date hereof. For good and valuable consideration, the receipt of which Grantor hereby acknowledges, notwithstanding anything to the contrary expressed or implied in the Agreement, the following shall constitute the further understanding between RAF and Grantor with respect to the Agreement:

1. MINIMUM RECORDING OBLIGATION: Grantor agrees to deliver to RAF one (1) Album (the “Duet Album”) which shall embody the musical performances of Artist and Shawn Carter p/k/a “Jay-Z”. Grantor acknowledges and agrees that the Duet Album shall be delivered to RAF in accordance with the terms and procedures of the Agreement for the delivery of Albums thereunder. For the avoidance of doubt, the Duet Album shall not be deemed in fulfillment of any portion of the Minimum Recording Obligation under the Agreement.

2. RECORDING FUND: RAF shall pay Recording Costs for the Duet Album as provided below. Such Recording Costs shall be deemed Advances and recoupable from royalties accruing to Grantor’s account hereunder as provided below. The Recording Fund for the Duet Album shall be Two Million Five Hundred Thousand Dollars (\$2,500,000) (the “Duet Album Recording Fund”). One Million Dollars (\$1,000,000) of the Duet Album Fund (the “Duet Album Advance”) shall be paid to Grantor promptly following the complete execution hereof. The balance of the Duet Album Recording Fund (\$1,500,000) shall be administered by RAF and if, after deduction of all Recording Costs paid or incurred by RAF in connection with such Duet Album, with an allowance for a reasonable provision for recording costs (including



initial so-called “sample advance payments”) not yet billed or accrued, there remains any balance of the Duet Album Recording Fund, it shall be paid to Grantor promptly following delivery of all Master Recordings and other materials required to be delivered to RAF pursuant to Articles 3 and 4 of the Agreement. Any amounts withheld for unpaid Recording Costs, which amounts are not used to pay such costs, shall be paid to Grantor within sixty (60) days following such delivery. Any Recording Costs incurred by Grantor or Artist that are billed or invoiced to RAF after such date, shall be forwarded to and shall become the sole responsibility of Grantor for payment. The Duet Album Advance and one-half (1/2) of the actual Recording Costs incurred in respect of the Duet Album shall be recoupable solely from any and all record royalties (excluding mechanical royalties) otherwise payable to Grantor under the Agreement with respect to the Duet Album. For the avoidance of doubt and notwithstanding anything expressed or implied to the contrary in paragraph 6.01(a) of the Agreement, any Recording Costs incurred in excess of the Duet Album Recording Fund shall be paid directly by Grantor.

3. **ROYALTIES:**

(a) RAF shall accrue to the account of Grantor, in accordance with the provisions of Article 8 of the Agreement, a royalty of fifteen percent (15%) of the Royalty Base for Net Sales through Normal Retail Channels in the United States of the Duet Album provided, however, no royalties shall be due and payable to Grantor until such time as all Advances have been recouped by or repaid to RAF in respect of the Duet Album. For the avoidance of doubt, all foreign territorial and configuration reductions under the Agreement shall also apply to the Duet Album.

(b) (i) With respect to Compositions embodied in the Duet Album, each Controlled Composition shall be and hereby is licensed to RAF in the United States and Canada at a copyright royalty rate (the “Contractual Rate”) equal to one hundred percent (100%) of the Statutory Rate prevailing at the time of commencement of recording of the Master Recording embodying such Controlled Composition subject to the provisions of Article 9 of the Agreement.

(ii) Notwithstanding anything to the contrary contained herein, Grantor warrants, represents, and agrees that, in the United States and Canada, RAF shall have no obligation whatsoever to pay an aggregate copyright royalty rate in respect of the Duet Album regardless of the number of Controlled Compositions and/or other Compositions contained thereon, in excess of twelve (12) times the applicable amount set forth in paragraph 9.02(a) of the Agreement, as amended.

4. **RIGHTS:** RAF shall have, and Grantor hereby grants to RAF, all of the same rights in and to the Duet Album and all materials embodied thereon that RAF has with respect to Master Recordings and Audio-Visual Recordings delivered to RAF by Grantor under the Agreement. Further, all of Grantor’s obligations, warranties, representations and covenants that apply with respect to Master Recordings and Audio-Visual Recordings delivered by Grantor to RAF under the Agreement shall also apply with respect to Master Recordings and Audio-Visual Recordings delivered to RAF by Grantor in connection with the Duet Album, excluding any and all contributions thereto by Shawn Carter p/k/a “Jay-Z”.



5. **MISCELLANEOUS:**

(a) All terms not expressly defined herein shall have the same meanings as given to them in the Agreement. Except as expressly or by necessary implication modified hereby, all provisions of the Agreement shall remain in full force and effect in accordance with their terms.

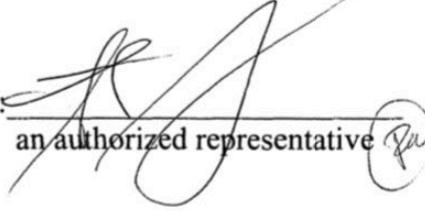
(b) This agreement shall be binding on and inure to the benefit of the respective parties, their legal representatives, successors and assigns.

(c) This amendment coupled with the Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof, and shall not be modified or amended except by an instrument in writing which specifically refers to this agreement and is signed by an authorized representative of each party hereunder. Any such instrument signed by RAF shall be signed by the Executive Vice President, Business and Legal Affairs of The Island Def Jam Music Group, a division of UMG Recordings, Inc.

(d) This document may be signed in counterparts, and may be executed and delivered by facsimile, which when taken together will have the same effect as if signed in the original by all parties hereto.

Very truly yours,

ROC-A-FELLA RECORDS, LLC

By: 
an authorized representative 

AGREED AND ACCEPTED:

ROC THE WORLD, LLC

By: 
An authorized signatory

Fed. Tax ID #: _____

INDUCEMENT AGREEMENT

In order to induce Roc-A Fella Records, LLC ("Company") to enter into the foregoing amendment ("Amendment") dated as of January 11, 2011, to the agreement, dated as of April 13, 2005, between Roc The World, LLC ("Grantor") and Company with respect to the undersigned's recording services (the "Agreement"), as amended, the undersigned hereby:

(a) acknowledges that he has read and is familiar with all the terms and conditions of the Agreement and the Amendment and has had a full opportunity to have the contents and legal affects thereof explained to him by an attorney of his own, independent selection;

(b) assents to the execution of the Amendment and agrees to be bound by the terms and conditions thereof, including but not limited to each and every provision of the Amendment that relates to the undersigned in any way, directly or indirectly, the services to be rendered thereunder by the undersigned and restrictions imposed upon the undersigned in accordance with the provisions of the Amendment, and hereby guarantees to Company the full and faithful performance of all the terms and conditions of the Amendment by the undersigned and by Grantor, excluding the provisions of paragraphs 9 and 10 thereof which shall be considered in good faith by the undersigned;

(c) acknowledges and agrees that Company shall be under no obligation to make any payments to the undersigned or otherwise, for or in connection with this inducement and for or in connection with the services rendered by the undersigned or in connection with the rights granted to Company thereunder and the fulfillment of the undersigned's obligations pursuant to the Amendment; and

(d) acknowledges and affirms that the Agreement is in full force and effect as of the date hereof and, except as modified by the Amendment, the Agreement (and the undersigned's obligations thereunder) are hereby ratified and confirmed.



Kanye West

THE ISLAND DEF JAM MUSIC GROUP,
A DIVISION OF UMG RECORDINGS, INC.
1755 BROADWAY
NEW YORK, NEW YORK 10019

Dated as of May 4, 2012

Rock The World, LLC
c/o West Entertainment Services
1790 Broadway
Suite 800
New York, NY 10019
Attention: Louise West, Esq.

**Re: Roc-A-Fella Records, LLC – w – Rock The World, LLC / Kanye West /
Sixth & Seventh Album Amendment**

Dear Gentlepersons:

Reference is made to the exclusive recording agreement between **The Island Def Jam Music Group**, a division of UMG Recordings, Inc. (as successor-in-interest to Roc-A-Fella Records, LLC [collectively, "IDJ"]) and **Rock The World, LLC** ("Grantor") f/s/o **Kanye West** (the "Artist"), dated as of April 13, 2005, as amended and in full force and effect as of the date hereof (the "Recording Agreement"). All terms not specifically defined herein shall have the same meaning used in the Recording Agreement, unless otherwise provided herein (hereinafter, the "Amendment"). For good and valuable consideration, the receipt of which each party hereby acknowledges, the parties agree to modify the Recording Agreement as follows:

I. Sixth Album & Seventh Album [Option].

1. **Exercise of Option for Sixth Album.** Grantor hereby acknowledges that IDJ timely and properly exercised its option to extend the Term of the Recording Agreement for the fifth Option Period during which IDJ is entitled to receive delivery of the sixth Album of the Minimum Recording Obligation (the "Sixth Album").
2. **Advances / Recording Budgets.** Notwithstanding anything to the contrary contained in the Recording Agreement (including, without limitation, paragraph 6.01[b][i] of the Recording Agreement), solely in connection with the Sixth Album and the Seventh Album (as defined below), IDJ shall pay the following Advances:

- (a) **Sixth Album.** Solely in connection with the Sixth Album, IDJ will pay Grantor an Advance in the amount by which Twelve Million Dollars (**\$12,000,000**) (the "Sixth Album Recording Fund") exceeds the Recording Costs incurred by IDJ in connection with the Master



Recordings recorded during the fifth Option Period (the "Album Six Masters"). The Sixth Album Recording Fund shall be paid as follows:

(i) Eight Million Dollars (\$8,000,000) shall be paid to Grantor promptly following the complete execution hereof; and

(ii) The balance of the Sixth Album Recording Fund (i.e., \$4,000,000) shall be administered by IDJ (in accordance with the terms of paragraph 6.01[a] of the Recording Agreement) and if, after deduction of all Recording Costs paid or incurred by IDJ in connection with the Sixth Album, with an allowance (the "Sixth Album Allowance") for a reasonable provision for Recording Costs (including initial so-called "sample advance payments") not yet billed or accrued (the "Sixth Album Further Costs"), there remains any balance of the Sixth Album Recording Fund, it shall be paid to Grantor promptly following delivery of all Master Recordings and other materials required to be delivered to IDJ pursuant to Articles 3 and 4 of the Recording Agreement in connection with the Sixth Album. IDJ shall pay the Sixth Album Allowance, less any Sixth Album Further Costs actually incurred, to Grantor promptly after IDJ reasonably believes that it has received bills or accruals for all Recording Costs actually incurred in connection with the Sixth Album.

(b) Seventh Album. Solely in connection with the sixth Option Period during which IDJ is entitled to receive delivery of the seventh Album of the Minimum Recording Obligation (the "Seventh Album"), IDJ will pay Grantor an Advance in the amount by which Six Million Dollars (\$6,000,000) (the "Seventh Album Recording Fund") exceeds the Recording Costs incurred by IDJ in connection with the Master Recordings recorded during the sixth Option Period (the "Album Seven Masters"). The Seventh Album Recording Fund shall be paid as follows:

(i) Three Million Dollars (\$3,000,000) to Grantor promptly following commencement of recording of the Album Seven Masters in accordance with the terms of the Recording Agreement; and

The balance of the Seventh Album Recording Fund (i.e., \$3,000,000) shall be administered by IDJ (in accordance with the terms of paragraph 6.01[a] of the Recording Agreement) and if, after deduction of all Recording Costs paid or incurred by IDJ in connection with the Seventh Album, with an allowance (the "Seventh Album Allowance") for a reasonable provision for recording costs (including initial so-called "sample advance payments") not yet billed or accrued (the "Seventh Album Further Costs"), there remains any balance of the Seventh Album Recording Fund, it shall be paid to Grantor promptly following delivery of all Master Recordings and other materials required to be delivered to IDJ pursuant to Articles 3 and 4 of the Recording Agreement in connection with the Seventh Album. IDJ shall pay the Seventh Album Allowance, less any Seventh Album Further Costs actually incurred, to Grantor promptly after IDJ reasonably believes that it has received bills or accruals for all Recording Costs actually incurred in connection with the Seventh Album.

(c) Pre-Paid Advances. Notwithstanding anything to the contrary contained in the Recording Agreement, as amended, the prior payment of Seven Hundred Fifty Thousand Dollars



(\$750,000) in connection with the Sixth Album and the prior payment of Seven Hundred and Fifty Thousand Dollars (\$750,000) in connection with the Seventh Album, shall not be deducted from any of the Advances described herein but shall nonetheless be deemed general Advances against the Royalty Account (as defined in paragraph 3[a] below).

3. Royalties. Notwithstanding anything to the contrary contained in the Recording Agreement, paragraph 7.02 of the Recording Agreement is hereby amended to provide that in lieu of the royalty set forth in the Recording Agreement, a royalty of twenty-two percent (22%) of the Royalty Base for USNRC Net Sales shall apply solely in connection with the Album Six Masters and the Album Seven Masters. For the avoidance of doubt, the sales escalations provided in paragraph 7.02 of the Recording Agreement shall not apply to the royalty rates set forth in this paragraph 3.

4. Mechanical Royalties. Without limiting any of the provisions of paragraph 9.01, subparagraph 9.01(a) is hereby modified such that each Controlled Composition embodied on a Master Recording recorded in connection with either the Sixth Album or the Seventh Album shall be and hereby is licensed to IDJ in the United States and Canada at a copyright royalty rate equal to one hundred percent (100%) of the Statutory Rate prevailing at the time of the earlier of: (i) delivery of the applicable Master Recording embodying such Controlled Composition, or; (ii) the date such Master Recording(s) was required to be delivered hereunder, subject to the provisions of this Article 9.

5. Subparagraph 4.01(a)(i) of the Agreement is hereby modified such that each remaining Album of the Minimum Recording Obligation hereunder other than the Sixth Album shall be delivered to IDJ no later than twelve (12) months (as opposed to 180 days) following commencement of the applicable Contract Period hereunder.

II. Miscellaneous.

1. Nothing herein contained shall constitute a partnership between, or joint venture by, the parties hereto, or constitute either party the agent of the other, and neither party shall become liable for any representation, act or omission of the other which is contrary to the provisions of this paragraph.

2. This writing sets forth the entire understanding between the parties hereto with respect to the subject matter hereof, and no modification, amendment or waiver of this document shall be binding upon either party hereto unless confirmed by a written instrument signed by an authorized signatory of the party sought to be bound. No waiver of any provision of, or waiver of a default under this Amendment or any failure to exercise rights hereunder shall prejudice the rights of either party thereafter, nor shall it form precedent for the future.

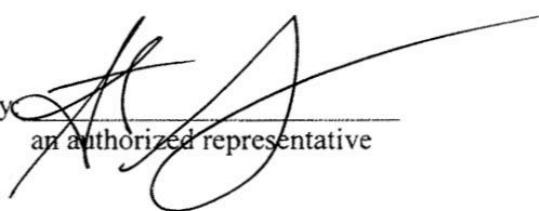
3. Except as expressly or by necessary implication modified hereby, the terms and binding effect of the Recording Agreement are hereby ratified and confirmed without limitation or exception.



4. This Amendment may be signed in counterparts, and may be executed and delivered by facsimile and or electronic mail as a pdf, which when taken together will have the same effect as if signed in its original form by all the parties.

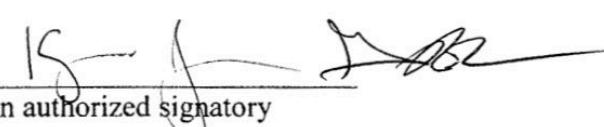
Very truly yours,

THE ISLAND DEF JAM MUSIC GROUP,
A division of UMG Recordings, Inc.

By 
an authorized representative

AGREED AND ACCEPTED:

ROCK THE WORLD, LLC

By: 
An authorized signatory



INDUCEMENT AGREEMENT

In order to induce The Island Def Jam Music Group, a division of UMG Recordings, Inc. ("Company") to enter into the foregoing amendment ("Amendment") dated as of May 4, 2012, to the agreement, dated as of April 13, 2005, between Roc The World, LLC ("Grantor") and Company with respect to the undersigned's recording services (the "Agreement"), as amended, the undersigned hereby:

- (a) acknowledges that he has read and is familiar with all the terms and conditions of the Agreement and the Amendment and has had a full opportunity to have the contents and legal affects thereof explained to him by an attorney of his own, independent selection;
- (b) assents to the execution of the Amendment and agrees to be bound by the terms and conditions thereof, including but not limited to each and every provision of the Amendment that relates to the undersigned in any way, directly or indirectly, the services to be rendered thereunder by the undersigned and restrictions imposed upon the undersigned in accordance with the provisions of the Amendment, and hereby guarantees to Company the full and faithful performance of all the terms and conditions of the Amendment by the undersigned;
- (c) acknowledges and agrees that Company shall be under no obligation to make any payments to the undersigned or otherwise, for or in connection with this inducement and for or in connection with the services rendered by the undersigned or in connection with the rights granted to Company thereunder and the fulfillment of the undersigned's obligations pursuant to the Amendment; and
- (d) acknowledges and affirms that the Agreement is in full force and effect as of the date hereof and, except as modified by the Amendment, the Agreement (and the undersigned's obligations thereunder) are hereby ratified and confirmed.



Kanye West



LETTER OF DIRECTION

Rock The World, LLC
c/o Sweeney, Johnson & Scates, LLC
152 W. 57th Street, 8th Floor
New York, New York, 10019
Attn: Ron Sweeney, Esq.

Kanye West
c/o Carroll, Guido & Groffman, LLP
1790 Broadway, 20th Floor
New York, New York 10019
Attn: Michael Guido, Esq.

Dated: May 4, 2012

The Island Def Jam Music Group (by FedEx)
a division of UMG Recordings, Inc.
1755 Broadway, 8th Floor
New York, NY 10019
Attn: Sr. VP, Business and Legal Affairs

Gentlepersons:

1. Reference is made to the agreement by and between you as successor in interest to Roc-A-Fella Records, LLC ("you" or "IDJ") and Rock The World, LLC ("RTW"), regarding the exclusive recording services of Kanye West ("Artist"), dated as of April 13, 2005, as amended through the date hereof (the "Agreement"), including without limitation by that amended dated as of the date hereof (the "2012 Amendment"). All terms not specifically defined herein shall have the same meaning used in the Agreement, unless otherwise provided herein.
2. Pursuant to paragraph 2(a) of the 2012 Amendment, you have agreed to increase the Recording Fund for the album to be delivered in fulfillment of the Minimum Recording Obligation for the fifth Option Period to Twelve Million Dollars (\$12,000,000), of which Eight Million Dollars (\$8,000,000) (the "Execution Advance") shall be payable promptly after the full execution of the 2012 Amendment. We hereby irrevocably instruct you to pay One Million Two Hundred Thousand Dollars (\$1,200,000) of the Execution Advance directly to RTW (the "RTW Execution Advance") and Six Million Eight Hundred Thousand Dollars (\$6,800,000) of the Execution Advance directly to Artist. Artist hereby directs you to pay One Million Three Hundred Thousand Dollars (\$1,300,000) of such Six Million Eight Hundred Thousand Dollars (\$6,800,000) of the Execution Advance payable to Artist pursuant to the preceding sentence to Three Kings LLC, c/o

Sweeney, Johnson & Scates, LLC, 152 W. 57th Street, 8th Floor, New York, New York, 10019, Attn: Ron Sweeney, Esq.

3. Pursuant to paragraph 2(b) of the 2012 Amendment, you have agreed to increase the Recording Fund for the album to be delivered in fulfillment of the Minimum Recording Obligation for the sixth Option Period to Six Million Dollars (\$6,000,000), of which Three Million Dollars (\$3,000,000) (the "LP7 Commencement Advance") shall be payable promptly after the commencement of the recording of such album. We hereby irrevocably instruct you to pay Four Hundred and Fifty Thousand Dollars (\$450,000) of the LP7 Commencement Advance directly to RTW (the "RTW LP7 Advances") and Two Million Five Hundred Fifty Thousand Dollars (\$2,550,000) of the LP7 Commencement Advance directly to Artist.
4. RTW irrevocably instructs you to pay directly to Avant Garde Management, Inc. (i) One Hundred Twenty Thousand Dollars of the Execution Advance, and (ii) Forty Five Thousand Dollars (\$45,000) of the RTW LP7 Advance. Such payments shall be made to Avant Garde Management, Inc., c/o Sweeney, Johnson & Scates, LLC, 152 W. 57th Street, 8th Floor, New York, New York, 10019, Attn: Ron Sweeney, Esq., or elsewhere as Avant Garde Management, Inc. may direct you in writing.

5. With respect to:

- (i) any master recordings made during the first, second, third or fourth Contract Periods, we hereby request and irrevocably authorize you (A) to directly pay to Artist 80% of all Net Royalties (as defined below), and (B) to directly pay RTW 20% of all Net Royalties;
- (ii) any master recordings made during the fifth, sixth or seventh Contract Periods, we hereby request and irrevocably authorize you (i) to directly pay to Artist 85% of all Net Advances (as defined below") and 85% of all Net Royalties (as defined below), and (ii) to directly pay RTW 15% of all Net Advances and 15% of all Net Royalties; and
- (iii) any master recordings made after the end of the seventh Contract Period, if any, 100% of all monies payable in connection therewith shall be paid directly to Artist.

As used herein, "Net Advances" shall mean Advances payable to RTW or Artist pursuant to the Agreement (not including the Execution Advance or the LP7 Commencement Advance), less all Recording Costs or other similar third party payments.

As used herein, "Net Royalties" shall mean gross royalties (or "net receipts" where "net receipts" are payable in lieu of royalties pursuant to paragraph 7.06 of the Agreement), excluding mechanical royalties, payable under the Agreement, less all royalties and other amounts payable to any third party producers, mixers, outside artists, sample claimants or other third parties.

You will prepare separate accounting statements for RTW and Artist starting with the statement for the accounting period ending June 30, 2012. Each of RTW and the Artist will have a separate and independent right to audit your books and records with respect to such statements in accordance with the terms of the Agreement.

6. RTW has assigned all its prospective rights and obligations under the Agreement to Artist and Artist has assumed all of RTW's prospective rights and obligations under the Agreement. You hereby consent to such assignment. In furtherance of the foregoing, RTW and Artist have agreed that (i) Artist may deal directly with IDJ in connection with all matters related to the Agreement, and may amend and modify the Agreement as Artist and IDJ may agree; and (ii) all rights of approval, consent or consultation that extend to RTW and/or Artist under the Agreement shall hereafter extend to, and may be given by, Artist alone. Notwithstanding the foregoing, (i) Artist has agreed not to modify the Agreement in a manner which would have a disproportionate impact on the rights of RTW, and (ii) Artist has agreed not to modify (or waive any of RTW's rights under) paragraph 5.01(b)(xvi) of the Agreement without RTW's consent (i.e., RTW will continue to be entitled to have its logo printed on Records derived from the Master Recordings delivered pursuant to the Agreement and in advertisements therefore in accordance with the terms of the Agreement).
7. Your compliance with this authorization will constitute an accommodation to us alone; no other party is a beneficiary of it. All payments to Artist or Avant Garde Management, Inc. under this authorization will constitute payment to RTW and you will have no liability whatsoever by reason of any erroneous payment or failure to comply with this authorization. We will indemnify and hold you harmless against any claims asserted against you and any damages, losses or expenses you incur by reason of any such payment or otherwise in connection herewith.

All monies becoming payable to Artist under this authorization will be remitted to Artist at the address first set forth above or otherwise as Artist directs you in writing and will be accompanied by statements with respect to those payments. (We understand that royalty payments instructions of this nature are usually placed in effect with respect to the accounting period in which you receive them if they are delivered to you within the first

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

three months of that period, and with respect to the next accounting period it delivered after that time, although administrative factors may result in variations from that procedure.)

Very truly yours,

ROCK THE WORLD, LLC

By: _____

A handwritten signature in black ink, appearing to read "Kanye West".

KANYE WEST

ACCEPTED AND AGREED:

THE ISLAND DEF JAM MUSIC GROUP,
a division of UMG Recordings, Inc.

By: _____

A handwritten mark or signature in black ink, appearing to read "D".

three months of that period, and with respect to the next accounting period it delivered after that time, although administrative factors may result in variations from that procedure.)

Very truly yours.

ROCK THE WORLD, LLC

By: 

 KANYE WEST

ACCEPTED AND AGREED:

THE ISLAND DEF JAM MUSIC GROUP,
a division of UMG Recordings, Inc.

By: _____

THE ISLAND DEF JAM MUSIC GROUP,
A DIVISION OF UMG RECORDINGS, INC.
1755 BROADWAY
NEW YORK, NEW YORK 10019

Dated as of May 7, 2012

Getting Out Our Dreams II, LLC
c/o Carroll, Guido & Groffman, LLP
1790 Broadway, 20th Floor
Suite 800
New York, NY 10019
Attention: Michael Guido, Esq.

Re: **Roc-A-Fella Records, LLC – w – Getting Out Our Dreams II, LLC f/s/o
Kanye West: Exclusive Recording Agreement**

Gentleperson(s):

This agreement (including Exhibit A, which is attached hereto and incorporated herein by this reference) shall constitute an exclusive recording agreement between **The Island Def Jam Music Group**, a division of UMG Recordings, Inc. ("IDJ") and **Getting Out Our Dreams II, LLC** ("Grantor" or "you") with respect to the services of **Kanye West** (the "Artist"). The terms and conditions of this agreement shall be the terms and conditions set forth in the attached Exhibit A (i.e., the exclusive recording agreement, dated as of April 13, 2005, between IDJ [as successor-in-interest to Roc-A-Fella Records, LLC] and Rock The World, LLC with respect to Artist, as amended and in full force and effect as of the date hereof) (the "Recording Agreement") as modified and supplemented by the terms set forth below in this letter agreement and with all other changes being made that are necessary by implication. If any terms below conflict with the terms of the Recording Agreement, the terms below shall govern. All references to Grantor in this agreement, including Exhibit A hereto, shall be deemed references to Getting Out Our Dreams II, LLC. IDJ and Grantor acknowledge and agree that the terms and conditions of the Recording Agreement are incorporated herein solely as a matter of convenience, and that this agreement shall constitute a new recording agreement that is separate and apart from the Recording Agreement and for which separate consideration has been provided. For the avoidance of doubt, all terms not specifically defined herein shall have the same meaning used in the Recording Agreement, unless otherwise provided herein. For good and valuable consideration, the receipt of which each party hereby acknowledges, the parties agree to modify the terms and conditions of the Recording Agreement which are being incorporated herein as follows:

1. **TERM / RECORDING OBLIGATION:**

(a) Provided that IDJ exercises the Initial Option (as defined below), the term of this agreement (the "Term") will begin immediately upon the expiration of the term of the Recording Agreement (or, if IDJ so advises, such period will begin on the date of such exercise notice) and shall continue for a first Contract Period (sometimes referred to as the "Initial Period") ending on the earlier of: (a) twelve (12) months after the delivery to IDJ of the last Master Recordings that are required to be delivered hereunder in fulfillment of the Minimum Recording Obligation during the Initial Period; or (b) nine (9) months after the initial commercial release in the United States of the Album required to be delivered hereunder in fulfillment of the Minimum Recording Obligation during the Initial Period. IDJ

may exercise its option for the Initial Period (the "Initial Option") by sending notice to Grantor to that effect at any time prior to the expiration of the term of the Recording Agreement. For the avoidance of doubt, the Option Warning mechanism described in subparagraph 1.02(b) of the Recording Agreement will apply to the Initial Option. Notwithstanding anything to the contrary contained herein, the month of December shall not be included when computing the ending date of the Initial Period.

(b) Grantor grants IDJ one (1) separate option to extend the Term for additional Contract Period (sometimes referred to as the "Option Period"). IDJ may exercise such option by sending Grantor a notice at any time before the expiration of the Initial Period. If IDJ exercises such option, the Option Period will commence upon the end of the Initial Period (or, if IDJ so advises, such period will begin on the date of such exercise notice) and end on the date twelve (12) months after the initial commercial release in the United States of the Album required to be delivered hereunder in fulfillment of the Minimum Recording Obligation during such Option Period. For the avoidance of doubt, the Option Warning mechanism described in subparagraph 1.02(b) of the attached Recording Agreement will apply to the option described in this subparagraph 1(b). Notwithstanding anything to the contrary contained herein, the month of December shall not be included when computing the ending date of any Option Period.

(c) The Minimum Recording Obligation hereunder shall be as follows:

<u>Contract Period</u>	<u>Minimum Recording Obligation</u>
Initial Period	one (1) Album (the "Eighth Album")
Option Period	one (1) Album (the "Ninth Album")

(d) (i) Notwithstanding anything to the contrary set forth in the Recording Agreement, IDJ will only have the right to exploit the Master Recordings delivered hereunder, all Artwork created for use on or in connection with Records or other derivatives of such Master Recordings and Mobile Materials embodying such Master Recordings and/or Artwork (collectively, the "Subject Materials") hereunder until the date seven (7) years after IDJ's United States retail street date for the last Record Delivered by you in fulfillment of your Minimum Recording Obligation hereunder (the "Exploitation Period"). Notwithstanding the foregoing, in the event your account hereunder is in an uncoupled position as of the date that the Exploitation Period would otherwise expire, then the Exploitation Period will be extended until the earlier of: (A) the day after the last day in the accounting period after the term in which you either receive an accounting statement showing your account to be in a recouped position; or (B) the date on which you pay to IDJ a sum equal to the then current amount of that unearned balance (which amount will be applied to your account hereunder).

(ii) Further notwithstanding anything to the contrary set forth above, IDJ may non-exclusively distribute its existing inventory of Subject Materials during the six (6) month period immediately following the expiration or termination of the Exploitation Period (the "Sell-Off Period"). During the six (6) month period immediately preceding the Sell-Off Period, IDJ shall not manufacture Records embodying Master Recordings hereunder in excess of then anticipated customer orders. During the Sell-Off Period, IDJ shall not sell Records embodying Master Recordings hereunder at scrap or cut-out prices unless agreed to by you. IDJ shall have the same rights to make and promote existing inventories of the Subject Materials during the Sell-Off Period as it has hereunder during the Exploitation Period, except as set forth in the preceding sentence or as otherwise expressly set forth herein.

(e) Notwithstanding anything to the contrary contained in the Recording Agreement, each Album of the Minimum Recording Obligation hereunder shall be delivered to IDJ no later than twelve (12) months following commencement of the applicable Contract Period hereunder.

2. **RIGHTS:** Notwithstanding anything to the contrary contained in the Recording Agreement, in applying subparagraph 5.01(a) of the Recording Agreement to the Subject Materials, the first four (4) sentences thereof shall be deemed to be deleted and replaced with the following:

“(a) As between IDJ and Grantor: all Master Recordings recorded during the Term which embody the performances of Artist, from the inception of recording thereof, all artwork created for use on or in connection with Phonograph Records or other derivatives of such master Recordings, including without limitation, for use in advertising and Artist Websites (“Artwork”), shall be deemed “worked made for hire” for Grantor; all such Master Recordings, from inception of the recording thereof, and all Phonograph Records and other reproductions made therefrom, together with the performances embodied therein, and all Artwork, and all copyright therein and thereto, and all renewals and extensions thereof, shall be entirely Grantor’s property, and except for the license granted below, free from any claims whatsoever by IDJ, throughout the world and in perpetuity. Accordingly, as between Grantor and IDJ, Grantor shall have the exclusive right to obtain registration of copyright (an all renewals and extensions) in those Master Recordings and in all Artwork, in Grantor’s names, as the owner and author thereof. If for any reason any such Master Recordings or Artwork are deemed not to be “works made for hire”, then IDJ hereby irrevocably assigns to Grantor all of Grantor’s right title, and interest in and to such Master Recordings and Artwork (including, without limitation, all copyright therein, and all renewals and extensions thereof in perpetuity throughout the universe. You warrant, represent and agree that throughout the Territory during the Exploitation Period, IDJ is the sole and exclusive licensee of all Subject Materials, which license entitles IDJ, among other things, to exercise all right, title and interest in the Territory in the copyright in and to such Subject Materials (but excluding the copyrights in the Compositions contained therein). Each item of Subject Materials, from its inception, will be licensed exclusively to IDJ in the Territory during the Exploitation Period, free from any claims by you, Artist or any other Person, and IDJ has the right to use and control same subject to the terms herein. You and/or the Artist shall execute and deliver to IDJ a short form exclusive copyright license in a form suitable for registration in the United States Copyright Office and any other such instruments of transfer and other documents regarding the rights of IDJ or its designees in the Subject Materials subject to this agreement as IDJ may reasonably request to carry out the purposes of this agreement, and in the event you fail to sign such documents within seven (7) business days (or less, if needed and stated in the request) after your receipt of IDJ’s written request therefor, IDJ may sign such documents in your name or the name of Artist (and you hereby appoint IDJ your agent and attorney-in-fact solely for such purposes) and make appropriate disposition of them consistent with this agreement. All Subject Materials shall contain all such, trademarks, trade names, information, logos and other items, as IDJ customarily includes on such Subject Materials, as applicable, including, without limitation, Internet Addresses, so-called “watermarks”, “meta-data”, and “hyperlinks” to Internet Addresses.” In addition to the logo provided for in section 5.01(b)(xvi) of the Recording Agreement, all Records and accompanying Artwork manufactured by IDJ and its licensees hereunder will indicate appropriate ownership credit and copyright notice as determined by Grantor in consultation with IDJ. Notwithstanding the foreign, IDJ (or its licensee in the country concerned) will have the right to identify itself as the exclusive licensee, manufacturer, and distributor of the Subject Materials in each country of the Territory.

3. **ADVANCES:**

(a) Promptly following full execution hereof, IDJ shall pay to you an Advance in the amount of Three Million Dollars (\$3,000,000)(the “Execution Advance”). For the avoidance of doubt, the Execution

Advance shall be deemed an Advance made hereunder, and shall not be recoupable from any royalties or other monies due to you under the Recording Agreement, if any, except as set forth in the following sentence. Notwithstanding the foregoing, in the event that either one (1) or more of the following events occur, then the Execution Advance may be recovered from either the Artist Royalty Share (as defined below) payable pursuant to the Recording Agreement, or the share of profits payable to Artist (or any entity furnishing Artist's recording services) in connection with the Sixth Album and/or the Seventh Album:

(i) If IDJ fails to either exercise its option to extend the term of the Recording Agreement for the sixth Option Period (i.e., for the "Seventh Album"), to exercise the Initial Option hereunder, or, to extend the term hereof for the Option Period; or,

(ii) If either the Sixth Album, the Seventh Album, the Eighth Album or the Ninth Album is not delivered to IDJ in a Timely Manner under the Recording Agreement or hereunder, as applicable. The term "Timely Manner", as used in the preceding sentence, means that the applicable Album must be delivered within twelve (12) months after IDJ has notified Grantor in writing that Grantor has failed to deliver the applicable Album within the time period set forth in subparagraph 4.01(a)(i) of the Recording Agreement.

(iii) The term "Artist Royalty Share", as used in this subparagraph 3(a), shall mean royalties payable pursuant to Article 7 of the Recording Agreement less that portion of such royalties required to be paid to Rock The World, LLC ("RTW") pursuant to the Assignment and Assumption Agreement (as such term is defined in paragraph 6 below).

(b) (i) In connection with your Delivery to IDJ of the Masters constituting the Eighth Album and the Masters constituting the Ninth Album, IDJ will pay you Advances in the amount by which the applicable sum indicated below ("Recording Fund") exceeds the Recording Costs for the Album concerned:

(A) Eighth Album: Two Million Dollars (\$2,000,000).

(B) Ninth Album: Two Million Dollars (\$2,000,000).

(ii) Each Advance referred to in this subparagraph 3(b), less any Recording Costs incurred by IDJ in connection with the Album concerned, will be paid promptly after Delivery of the Album concerned.

4. PAYMENTS & ACCOUNTINGS:

(a) In connection with the sale or other exploitation of Phonograph Records derived from the Master Recordings recorded during the Initial Period and the Option Period, in lieu of accruing royalties to your account hereunder in accordance with the provisions of Article 7 of the Recording Agreement (which have been incorporated herein), IDJ shall pay to Grantor the Net Proceeds and Net Licensing Proceeds earned in connection therewith. In determining such Net Proceeds and Net Licensing Proceeds, the following shall apply:

(i) On Records sold for distribution through normal retail channels in the United States (it being agreed that Net Proceeds will be computed and paid in accordance with the provisions of Exhibit B, attached hereto and incorporated herein by this reference):

(A) IDJ shall be entitled to, and shall, deduct fees from Net Billings equal to twenty six percent (26%) of Net Billings hereunder, which fees IDJ shall retain and utilize for its own

account ("Distribution Fee"). Notwithstanding the immediately preceding sentence, the Distribution Fee shall be twenty-five percent (25%) of Net Billings rather than twenty-six percent (26%) of Net Billings, commencing as of the first full accounting period hereunder after which Net Billings hereunder exceed Fifteen Million Dollars (\$15,000,000), in the aggregate from inception, if at all. For the avoidance of doubt, the Distribution Fee will be inclusive of all services to be provided by IDJ, including, without limitation, marketing, promotion, A&R administration, copyright administration, A&R, press, legal & business affairs, sales and accounting (record royalties and mechanical royalties).

(B) In consideration of IDJ providing services relating to the exploitation of the applicable Master Recordings through Ancillary Exploitation Channels in the Territory, IDJ shall be entitled to, and shall, deduct fees from Net Licensing Billings equal to twenty percent (20%) of Net Licensing Billings hereunder, which fees IDJ shall retain and utilize for its own account ("Licensing Fee") and which shall be in lieu of the Distribution Fee.

(ii) On Records sold for distribution through normal retail channels outside of the United States, IDJ agrees to pay you in connection with the Net Sale of Records consisting entirely of Master Recordings delivered hereunder and sold by IDJ or its licensees, a royalty computed at the applicable percentage indicated below, of the applicable so called "published price to dealers" (the "PPD") with respect to the Record concerned, it being agreed that such royalties will be computed, adjusted and paid in accordance with the provisions of Exhibit C, attached hereto and incorporated herein by this reference:

(A) Subject to the other provisions of the attached Exhibit C, on NRC Net Sales of Albums outside of the United States: 25% ("Basic Rate")

(B) Subject to the other provisions of the attached Exhibit C, on NRC Net Sales of Singles outside of the United States: 16% (the "Basic Rate")

(iii) For the avoidance of doubt, on Records sold for distribution outside of the United States other than through normal retail channels, you shall be paid the applicable Basic Rate, as adjusted in accordance with the provisions of the attached Exhibit C.

5. **MARKETING:**

Solely in connection with its commercial release of the Eighth Album and the Ninth Album in the United States, IDJ will advance or incur all costs to third parties in connection with marketing, promotion, publicity, and advertising, including without limitation, the cost of promotional Records and Videos (hereinafter referred to collectively as the "Third Party Marketing Costs") that are part of the marketing plan approved in writing by you for the Album concerned; provided, however, that IDJ shall be required to incur Third Party Marketing Costs up to, but not in excess of, an amount equal to twenty-five percent (25%) of the amount of Net Billings that IDJ reasonably projects (in IDJ's sole reasonable good faith discretion based on projected sales less returns and discounts and without the deduction of any reserve) will be earned in connection with its distribution of the Album concerned. Notwithstanding anything to the contrary set forth herein, all Third Party Marketing Costs paid for by IDJ pursuant to a mutually approved marketing budget or any other costs paid for by IDJ in connection with the marketing, promotion, publicity and advertising of Records hereunder with your prior written consent, will be Advances and will be deducted from Net Billings or Net Licensing Billings, as applicable, in the computation of Net Proceeds, otherwise payable to you hereunder.

6. **DIGITAL RETAIL STORE:**

IDJ agrees that during the term hereof, Artist may set up and maintain an on-line digital record store (the "Artist Store") on the terms set forth in this paragraph. IDJ agrees to cause UMG to authorize the Artist Store as an authorized digital retailer of UMG on the same terms as then customarily apply to UMG's other similarly situated third party digital retailers (including price and payment terms wherein UMG is paid for each sale appropriately). In addition to selling online versions of Standard LPs (as hereinafter defined) and Deluxe LPs (as hereinafter defined) in the Artist Store on a non-exclusive basis, Artist shall be entitled to sell exclusive "super-deluxe" online versions ("Super Deluxe Version") of Records released by IDJ hereunder in the Artist Store, provided that:

- (a) Artist will consult with UMG in advance with respect to any such Super Deluxe Version (including, without limitation, the tracklisting for such Super Deluxe Version) and will deliver all such Super Deluxe Versions in advance to IDJ for ingestion into the UMG system and for delivery back to the Artist Store per standard practice with any retailer;
- (b) Artist has previously delivered to IDJ a so-called standard ("Standard LP") and, if IDJ has so requested, a so-called "deluxe" version ("Deluxe Version") of the applicable Album for the current album cycle in question;
- (c) such Super Deluxe Version shall be exclusive to the Artist Store for a period not to exceed ninety (90) days and thereafter UMG may deliver such Super Deluxe Version as it deems fit to its other online retail partners;
- (d) in no event shall Artist be entitled to exploit any Super Deluxe Version and/or any other materials which contain uncleared third party elements; and
- (e) Artist agrees that any such Super Deluxe Version shall not be delivered to IDJ in fulfillment of Artist's Minimum Recording Obligation hereunder.

7. **ADDITIONAL WARRANTY AND REPRESENTATION:**

In addition to the warranties and representations made by you in the Recording Agreement (which were incorporated herein by reference), you hereby warrant and represent that prior to the date hereof, Rock the World, LLC ("RTW") and Artist entered into an agreement wherein RTW assigned to Artist all of RTW's right, title and interest in and to the Recording Agreement, and Artist agreed to assume all such rights and the obligations associated therewith (the "Assignment and Assumption Agreement").

8. **DEFINITIONS:**

The following defined terms shall be deemed added hereto:

- (a) "Advance" means a prepayment of Net Proceeds or Net Licensing Billings. Advances are chargeable against and recoupable from any Net Proceeds or Net Licensing Billings otherwise payable hereunder. All monies paid to you or Artist hereunder during the Term of this agreement, as well as all monies paid on behalf of you or Artist with your consent, at your request, or pursuant hereto, other than royalties paid pursuant to this agreement, constitute Advances.
- (b) "Ancillary Exploitation Channels" means any and all distribution channels other than Normal Retail Channels, including, without limitation, so-called "secondary exploitation channels", as that term is understood within the record industry, such as, by means of example only, exploitations

through key outlet sales, master use licenses (including, without limitation, master use synchronization licenses and licenses to include Masters on compilation Records) licenses or sales to record clubs, licenses, sales by or through direct mail and mail order, and premium sales.

(c) "Limited Download" means a digital transmission of a time-limited or other use-limited download of a Master to a local storage device (e.g., the hard drive of the user's computer or a portable device), using technology designed to cause the downloaded file to be available for listening only either (1) during a limited time (e.g., a time certain or a time tied to ongoing subscription payments), or (2) for a limited number of times

(d) "Mobilétone" means a digital transmission (including without limitation by means of Permanent Download, Limited Download, or Stream) of a Master (or portion[s] thereof) which may or may not be accompanied by Mobile Material to an end user's mobile telephone or personal digital assistant (or other personal communication device). (as used in the preceding sentence, "Mobile Material" means artwork, images, polyphonic (midi) ringtones, voice messages, voice ringers, graphics, "wallpaper" and/or other materials (excluding Masters) transmitted to an end user's mobile telephone, personal digital assistant, or other personal communication device).

(e) "Net receipts," "net sums," or "net amount received" and similar terms in this agreement -- royalties or flat payments received by IDJ in the United States in connection with the subject matter thereof solely attributable to Masters or Videos hereunder, less all of IDJ's custom manufacturing, duplication, and packaging costs, less all advertising expenses and less any costs or expenses that IDJ is required to incur (such as, without limitation, production costs, mechanical royalties and other copyright payments, AF of M and other union or guild payments).

(f) "Net Billings" – has the meaning given in Exhibit B hereto.

(g) "Net License Billings" - has the meaning given in Exhibit B hereto.

(h) "Net Licensing Proceeds" - has the meaning given in Exhibit B hereto.

(i) "Net Proceeds" - has the meaning given in Exhibit B hereto.

(j) "NRC Net Sales" -- Net Sales of the applicable Record sold for distribution through normal retail channels.

(k) "Permanent Download" means a digital transmission of a download of a Master to a local storage device (e.g., the hard drive of the user's computer or a portable device) which is not subject to the time or use limitations applicable to Limited Downloads and is permanently available for listening an unlimited number of times (unless deleted by the user).

(l) "Sample" or "sample" means the embodiment of pre-existing Recording(s) and/or Composition(s) on a Master or Masters hereunder; provided, however, if all rights required for the purpose of manufacturing and distributing Records hereunder may be obtained by IDJ pursuant to a compulsory mechanical license such embodiment is not a Sample.

(m) "Stream" means a digital transmission of a Master Recording to allow a user to listen to such Master Recording (e.g., Real Audio or Windows Media Audio), that is configured by the provider of such transmission in a manner designed so that such transmission will not result in a substantially complete reproduction of the Master being made on a local storage device (e.g., the hard drive of the

user's computer or a portable device) so that such reproduction is available for listening other than at substantially the time of the transmission

(n) "Special Program Discounts" means price discounts given to IDJ customers in respect of any special discount program.

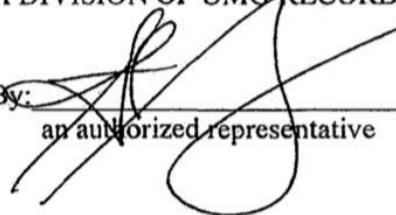
(o) "Surplus Records" means more than a six (6) month supply (as determined in IDJ's sole discretion) of a certain Record in a particular configuration or, at IDJ's election, such other formula as IDJ may, from time to time, use in order to determine surplus product in respect to Records released on its own labels.

(p) "Total Net Billings" means Net Billings plus Net Licensing Billings.

Please sign below if you are in accordance with the foregoing.

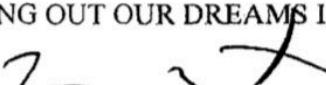
Very truly yours,

THE ISLAND DEF JAM MUSIC GROUP,
A DIVISION OF UMG RECORDINGS, INC.

By: 
an authorized representative

AGREED AND ACCEPTED:

GETTING OUT OUR DREAMS II, LLC

By: 
An authorized signatory

SCHEDULE "1"
INDUCEMENT LETTER

Dated as of: May 7, 2012

THE ISLAND DEF JAM MUSIC GROUP,
a division of UMG Recordings, Inc.
1755 Broadway
New York, New York 10019

Gentlemen:

Pursuant to an exclusive recording agreement (the "Recording Contract") between Getting Out Our Dreams II, LLC ("Grantor") and me, Grantor is entitled to my exclusive services as a recording artist. I have been advised that Grantor is entering into a written agreement with you of even date herewith (the "Agreement"), pursuant to which Grantor is agreeing to furnish my exclusive services as a recording artist. Unless otherwise defined herein, all terms shall have the same meaning as given them in the Agreement.

In consideration of your entering into the Agreement and as a further inducement for you to do so, I hereby represent and agree as follows:

1. I have read the Agreement, and I fully understand and agree to be bound by all of the terms thereof (including, without limitation, any and all provisions, obligations, representations, warranties and/or restrictions which relate to me in any way). I hereby assent to you and Grantor entering into the Agreement. I hereby acknowledge that you have advised me to obtain independent legal counsel in connection with the execution of the Agreement and this letter agreement. I further acknowledge that, with respect to each of the Agreement, this letter agreement and the Recording Contract, I have either obtained independent legal counsel or have voluntarily waived my right to do so.

2. I will fully and to the best of my ability perform and discharge all of the obligations undertaken by me pursuant to the provisions of the Recording Contract, as well as all of the obligations, warranties, representations and undertakings contained in the Agreement which relate to me in any way.

3. (a) If, during the Term of the Agreement, Grantor shall cease to be entitled to my services as a recording artist, or if Grantor shall fail or refuse to fulfill any of its obligations under the Agreement, then I shall, at your written request (the "Request"), for the remainder of the Term of the Agreement and upon the terms and conditions set forth therein (except as provided in paragraph 3(b) below), be deemed substituted for Grantor as a party to the Agreement as of the date of the Request. Without limiting the foregoing, in such event, I shall do all such acts as shall afford you the same rights, privileges, and benefits as you would have had under the Agreement if Grantor had continued to be entitled to my recording services, and to fulfill all of its obligations under the Agreement; and such rights, privileges, and benefits shall be enforceable by you directly against me.

(b) Notwithstanding the foregoing, in the event I am substituted for Grantor as a party to the Agreement, the following shall apply with respect to advances and royalties (including, without limitation, Advances and royalties payable by you pursuant to the Agreement) in respect of Master Recordings embodying my performances:

(i) With respect to Master Recordings embodying my performances which are recorded after the date of the Request, you shall have the right, in your discretion:

(A) To suspend payment of all monies to me and/or Grantor (whether Advances, royalties or otherwise, and whether pursuant to the Recording Contract, the Agreement or otherwise), pending settlement of any disputes between me and Grantor with respect thereto; or

(B) To suspend payment of all Advances to Grantor under the Agreement, pending settlement of any disputes between me and Grantor with respect thereto; to pay directly to me all advances payable pursuant to the Recording Contract; to pay directly to me royalties at a rate not in excess of the royalty rate provided for in the Recording Contract; and to hold the balance of all other royalties payable pursuant to the Agreement, pending final settlement of any disputes between me and Grantor with respect thereto.

(ii) With respect to Master Recordings embodying my performances which are recorded prior to the date of the Request, I shall continue to look to Grantor for payment of any and all advances and royalties payable to me in respect thereof.

4. Except as provided in paragraph 3(b) above, I will look solely to Grantor for the payment of any and all monies payable to me in respect of services rendered by me and/or Recordings embodying my performances pursuant to the Recording Contract and/or in accordance with the Agreement and/or your manufacture, distribution, sale or other use or exploitation of any such Recordings; and you shall have no responsibility to me whatsoever for any such payments.

5. I agree to and do, in the manner set forth in paragraph 10.10 the Agreement, hereby indemnify, save and hold you harmless of and from any and all liability, loss, damage, cost or expense (including attorneys' fees) arising out of or connected with any breach or alleged breach of this agreement, the Agreement or the Recording Contract or any claim which is inconsistent with any of the warranties or representations contained in this agreement, the Agreement or the Recording Contract, and agree to reimburse you on demand for any payment made or incurred by you with respect to any of the foregoing. Pending final determination of any claim involving such alleged breach or failure, you may withhold sums due me.

6. THE PROVISIONS OF PARAGRAPH 14.07 OF THE AGREEMENT SHALL ALSO APPLY TO THIS AGREEMENT.

7. This agreement may not be modified except by an instrument in writing executed by all parties hereto. The invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of any other provision hereof.

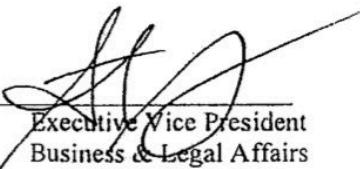
Very truly yours,



Kanye West

ACCEPTED AND AGREED TO:

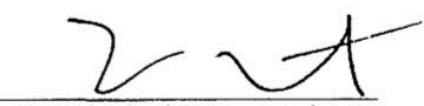
THE ISLAND DEF JAM MUSIC GROUP,
a division of UMG Recordings, Inc.

By: 

Executive Vice President
Business & Legal Affairs

CONSENTED AND AGREED TO:

GETTING OUT OUR DREAMS II, LLC

By: 

An Authorized Representative

Exhibit A

Attached to that certain exclusive recording agreement, dated as of May 7, 2012, between Island Def Jam Music Group, a division of UMG Recordings, Inc. and Getting Out Our Dreams II, LLC with respect to the services of Kanye West.

See attached for exclusive recording agreement, dated as of April 13, 2005, between Island Def Jam Music Group, a division of UMG Recordings, Inc. and Rock The World, LLC with respect to the services of Kanye West.

Exhibit B

Attached to that certain exclusive recording agreement, dated as of May 7, 2012, between Island Def Jam Music Group, a division of UMG Recordings, Inc. and Getting Out Our Dreams II, LLC with respect to the services of Kanye West.

1.01. Intentionally omitted.

1.02. As used herein, "Net Proceeds" means Total Net Billings less:

(a) the Distribution Fee;

(b) the Licensing Fee;

(c) a reserve against anticipated returns of Distributed Product distributed by IDJ and/or credits for such returns during and after the Term of this agreement. In establishing such reserves, IDJ will take into consideration the sale and returns history of previous Records shipped hereunder as well as that of the Record concerned, Soundscan reports (or similar retail sales reports) and reports from IDJ's distributor regarding to what extent the Record concerned is "selling through" at retail outlets. Notwithstanding anything to the contrary contained herein, one hundred and eighty (180) days prior to the expiration or termination of the Exploitation Period of this agreement, IDJ will have the right to withhold reserves in an amount sufficient in IDJ's reasonable business judgment to cover anticipated returns and credits during those last one hundred eighty (180) days and during and after the Sell Off Period, it being understood that such reserves may exceed the percentages applicable during the Term of this agreement as set forth above. Returns of Distributed Product will first be applied against the most recent sales and then against the oldest reserves. If the amount of actual returns and/or credits exceed the amount of reserves held by IDJ then, without limiting IDJ's other rights, such amount will be paid by you within five (5) days following IDJ's written demand therefore;

(d) IDJ's standard charges (i.e., the same rate charged by UMD to its wholly-owned labels) for the manufacturing or handling of Records or the reproduction of artwork, sleeves, labels, covers or other containers of such Records;

(e) Any and all Advances paid by IDJ hereunder (including, without limitation, Third Party Marketing Costs);

(f) Any and all applicable taxes imposed on IDJ with respect to the manufacture, distribution, license, sale, and/or other exploitation of Distributed Product hereunder (e.g. sales tax, VAT, etc.);

(g) Any and all co-op advertising monies. During the last six (6) months of the Term of this agreement, IDJ may deduct from Net Billings a reasonable reserve for any such costs incurred by IDJ during such period, which reserve will be liquidated no later than twelve (12) months after the end of the Term hereof;

(h) IDJ's standard charges (i.e., the same rate charged by UMD to its wholly-owned labels) for returns handling and refurbishing Distributed Product, whether such Records were distributed by IDJ or by a Person other than IDJ;

(i) IDJ's standard charges (i.e., the same rate charged by UMD to its wholly-owned labels) for refurbishing Records manufactured by any Person other than IDJ;

(j) Credits to IDJ's customers for actual returns of Distributed Product not shipped by IDJ hereunder made during each accounting period;

(k) Special Program Discounts and/or price reduction programs; and

(l) Any other amounts due IDJ under this agreement and all other costs of any other service rendered by IDJ or product furnished or monies spent by IDJ on your behalf hereunder, provided any such service, product, or monies are provided or spent in the normal course of handling Records or Videos hereunder and are consistent with similar services, products or monies that are provided or spent for similar-type arrangements; and

1.03. IDJ will compute Net Proceeds hereunder on a calendar semi-annual basis. Within ninety (90) days after the close of each such calendar semi-annual period IDJ will send you an accounting statement covering the Net Proceeds for the accounting period concerned and will remit to you the net amount of such Net Proceeds, if any, after deducting any such amount, if any, that IDJ may be required to withhold pursuant to the applicable state tax laws, the U.S. Tax Regulations, or any other applicable statute, regulation, treaty, or law. Such accounting statements will be rendered in accordance with IDJ's regular accounting practices. Notwithstanding anything to the contrary contained herein, IDJ, during the Exploitation Period hereof, is not obligated to render an accounting statement with respect to any calendar semi-annual periods in respect of which there is no significant (as determined by IDJ in its reasonable commercial judgment) change between the accounting rendered with respect to the calendar semi-annual period immediately preceding such particular calendar semi-annual period and the accounting that would otherwise be rendered with respect to such particular semi-annual period unless you request, in writing, an accounting statement for one or more particular semi-annual periods.

1.04. All accounting statements rendered by IDJ will be conclusively binding upon you and not subject to any objection by you for any reason unless specific objection in writing, stating the basis thereof, is given to IDJ and an audit pursuant to paragraph 1.05 for that statement is completed within three (3) years from the date such statement is rendered. Failure to make such written objection or conduct the audit within said time period will be deemed to be your approval of such statement, your waiver of such audit rights, and your waiver of the right to sue IDJ for additional Net Proceeds in connection with the applicable accounting period. Each statement will be deemed rendered when due unless you notify IDJ that the applicable statement was not received by you and such notice is given within ninety (90) days after the applicable due date specified in paragraph 1.01 above, in which event the statement will be deemed rendered on the date actually sent by IDJ. You will not have the right to sue IDJ in connection with any accounting, or to sue IDJ for monies due on account of the exploitation of Distributed Product hereunder during the period an accounting covers, unless you commence the suit within three (3) years and six (6) months after the date the applicable statement is rendered to you.

1.05. You may, at your own expense, audit IDJ's books and records directly relating to this agreement that report the sales or other exploitation of Distributed Product for which Net Proceeds are payable hereunder. You may make such audit only for the purpose of verifying the accuracy of statements sent to you hereunder and only as provided herein. You may initiate such audit only by giving notice to IDJ at least thirty (30) days prior to the date you intend to commence your audit. Your audit will be conducted by a reputable independent accountant experienced in record industry audits in such a manner so as not to disrupt IDJ's other functions and will be completed promptly. You may audit a particular statement only once and only within three (3) years after the date such statement is rendered as provided in paragraph 1.04 above. Your audit may be conducted only during IDJ's usual business hours and at the place where it keeps the books and records to be examined. You will not audit IDJ's books and records more than once during any calendar year of the Term of this agreement. Your auditor will review his tentative written findings with a member of IDJ's finance staff designated by IDJ before rendering a report to you so as to remedy any factual errors and clarify any issues that may have resulted from misunderstanding.

1.06. You acknowledge that IDJ may invoice free goods in accordance with its standard policies.

* END OF EXHIBIT B *

Exhibit C

Attached to that certain exclusive recording agreement, dated as of May 7, 2012, between Island Def Jam Music Group, a division of UMG Recordings, Inc. and Getting Out Our Dreams II, LLC with respect to the services of Kanye West.

1.01. Intentionally omitted.

1.02. (a) With respect to audio-only compact discs and Electronic Transmissions of Masters hereunder, the royalty rate (which will be deemed to be the Basic Rate with respect to such configuration or method of exploitation) is one hundred percent (100%) of the otherwise applicable royalty rate in the applicable country for the configuration and price category concerned; provided, if such exploitation is at a price that does not fall within IDJ's top-line price category applicable to such method of exploitation, the otherwise applicable royalty rate will be computed, reduced, and adjusted in accordance with the applicable other provisions of this Exhibit C.

(b) With respect to Records sold in the form of new configurations (including, but not limited to, Mini Disc, DVD Audio and audiophile Records), the royalty rate (which will be deemed to be the Basic Rate with respect to such configurations) is eighty percent (80%) of the otherwise applicable royalty rate in the applicable country for the configuration and price category concerned.

(c) With respect to Midline Records and EPs, the royalty rate is three-fourths (3/4) of the Basic Rate. With respect to Budget Records, premium records, and Records in the form of transparent or colored vinyl, the royalty rate is one half (1/2) of the Basic Rate for the configuration concerned. With respect to any Record sold in the Territory by IDJ or its licensee in conjunction with a television advertising campaign, during the semi-annual accounting period in which that campaign begins as well as the next such period, the royalty rate with respect to the advertised Records sold in the countries in which the campaign occurs is one half (1/2) of the otherwise applicable royalty rate, provided: (i) if IDJ wholly owns its licensee in the country concerned, IDJ will not thereby reduce your royalty by more than its and its licensee's actual costs in connection with such campaign, and the aforesaid reduction of the royalty rate will only apply during the semi-annual accounting period in which the applicable campaign begins as well as the next such period; and (ii) if IDJ does not wholly own its licensee in the country concerned, the otherwise applicable royalty rate will not be reduced if IDJ's licensee does not reduce the monies payable to IDJ because of such advertising campaign. With respect to any Multiple Record Album, the royalty rate is the Basic Rate for the configuration concerned if, at the beginning of the royalty accounting period concerned, the Suggested Retail List Price of such Album is at least the number of cassettes, compact discs or other configuration packaged together times the Suggested Retail List Price for "top-line" Albums marketed by IDJ or its principal licensee in the country where the Multiple Record Album is sold (the "top-line" price). If the Suggested Retail List Price applicable to such Multiple Record Album is less than the number of cassettes, compact discs or other configuration packaged together times the "top-line" price, then the applicable royalty rate for such Multiple Record Album will be equal to the otherwise applicable royalty rate multiplied by a fraction, the numerator of which is the Suggested Retail List Price of such Multiple Record Album, and the denominator of which is the number of cassettes, compact discs or other configuration packaged together times the "top-line" price (but not less than one half (1/2) of the applicable royalty rate prescribed in paragraph 7.01 for such Album).

(d) Intentionally deleted.

1.03. (a) Your royalty will be the sum equal to eighty percent (80%) of IDJ's Net Receipts with respect to the following Records and/or exploitation of Masters hereunder: (1) Records sold through record clubs or similar sales plans; (2) licenses for methods of distribution such as "key outlet marketing" (distribution through retail fulfillment centers in conjunction with special advertisements on radio or television), direct mail, mail order, or by any combination of the methods set forth above or other methods; (3) licenses for distribution other than through normal retail channels or other than by the primary distributor(s) of

IDJ Records in the territory concerned for the configuration concerned; and (4) Masters hereunder licensed by IDJ for use in synchronization in motion pictures, television productions, or television commercials.

(b) With respect to any exploitation of Mobile Material for which IDJ receives a royalty or other payment which is directly attributable to such Mobile Material, your royalty will be an amount equal to eighty percent (80%) of IDJ's Net Receipts from such royalty or other payment where such percentage equals the applicable Basic Rate set forth in paragraph 1.01(a) above.

1.04. (a) If IDJ or its licensees license Videos of Distributed Product, your royalty will be eighty percent (80%) of the Net Receipts received by or credited to IDJ in the United States derived therefrom after deducting from gross receipts a fee, in lieu of any overhead or distribution fee, of twenty-two percent (22%) of the gross receipts in connection therewith. It is specifically agreed that IDJ has and will have the right to license such Videos to third parties (e.g., club services) for no payment, in which case no payment will be made to you in connection therewith.

(b) With respect to home video devices embodying Videos of Distributed Product manufactured and distributed by IDJ or its licensee in the country concerned, you will be entitled to a royalty computed as provided in this Article, but the following rate will apply instead of the rates specified in subparagraph 4(a)(ii) of the agreement to which this Exhibit C is attached: (i) On units sold for distribution outside the United States: 15% of the applicable so-called "published price to dealers". Said royalties are inclusive of any third party payments required in connection with the sale of such devices including, without limitation, artist and producer royalties.

1.05. As to a Record not consisting entirely of Masters or Videos of Distributed Product, the otherwise applicable royalty rate will be prorated on the basis of the number of Masters or Videos of Distributed Product embodied on such Record compared to the total number of Masters or Videos (including the Masters and Videos of Distributed Product) contained on such Record. As to Joint Recordings, the royalty rate will be the royalty rate provided for herein divided by the number of Persons with respect to whom IDJ is obligated to pay a royalty (including you).

1.06. No royalties will be due or payable in respect of (a) Records furnished on a no-charge basis or sold to disc jockeys, publishers, employees of IDJ or its licensees, motion picture companies, radio and television stations and other customary recipients of free, or discounted or promotional Records sold for less than or equal to fifty percent (50%) of the Record's highest posted wholesale list price; (b) Records sold or distributed by IDJ or its licensees for promotional purposes; (c) Records sold at close-out prices, for scrap, at less than inventory cost or at fifty percent (50%) (or less) of the Record's highest posted wholesale price whether or not such Records are intended for sale to third parties; and (d) Records (or fractions thereof) given away or shipped on a so-called "no charge" or "freebie" basis (whether or not intended for resale; whether billed or invoiced as a discount in the price to IDJ's or its licensee's customers or as a Record shipped at no charge), including, without limitation, Records shipped as "bonus" or "free" Records (such as, by way of example only, any such Records that are distributed free to dealers in lieu of a discount).

1.07. The royalty payable to you hereunder includes all royalties (other than mechanical royalties) due you, Artist, the individual producers and all other Persons in connection with the sale of Records of Distributed Product or other exploitation of Masters of Distributed Product.

* END OF EXHIBIT C *

**THE ISLAND DEF JAM MUSIC GROUP,
A DIVISION OF UMG RECORDINGS, INC.
1755 BROADWAY
NEW YORK, NEW YORK 10019**

Dated as of May 7, 2012

Mr. Kanye West
c/o Carroll, Guido & Groffman, LLP
1790 Broadway, 20th Floor
Suite 800
New York, NY 10019
Attention: Michael Guido, Esq.

Re: Roc-A-Fella Records, LLC – w – Kanye West: Profit Share Agreement

Dear Mr. West:

Reference is made to the exclusive recording agreement between **The Island Def Jam Music Group**, a division of UMG Recordings, Inc. (as successor-in-interest to Roc-A-Fella Records, LLC [collectively, "IDJ"]) and **Rock The World, LLC** ("Grantor") with respect to **Kanye West** (the "Artist"), dated as of April 13, 2005, as amended and in full force and effect as of the date hereof, including, without limitation, that certain amendment of even date herewith (the "Recording Agreement"). All terms not specifically defined herein shall have the same meaning used in the Recording Agreement, as amended, unless otherwise provided herein (hereinafter, the "Amendment"). For good and valuable consideration, the receipt of which each party hereby acknowledges, the parties agree to modify the Recording Agreement as follows:

1. Profit Share.

(a) In addition to Royalties payable to Artist pursuant to the Recording Agreement in connection with the Master Recordings recorded during the fifth Option Period (the "Album Six Masters") and the Master Recordings recorded during the sixth Option Period (the "Album Seven Masters"), IDJ will accrue to Artist's account hereunder fifty percent (50%) of the Profits earned in connection with the Album Six Masters and the Album Seven Masters and no other Master Recordings (Artist's share of Profits may sometimes hereinafter be referred to as the "Profit Share"); provided, however, that the Profit Share otherwise payable to Artist hereunder shall be applied to the unrecouped balance in respect of the royalty account under the Recording Agreement (the "Royalty Account"), if any. Notwithstanding the foregoing, IDJ shall maintain a separate account with respect to that share of Advances and royalties which are paid directly to RTW (the "RTW Account") and a separate account with respect to that share of Advances and royalties that are paid directly to Artist (the "Artist Account"). For the avoidance of doubt, the RTW Account shall not be deemed payable until such time as the Royalty Account is fully recouped by royalties other than the Profit Share and the Profit Share shall not be paid through to Artist until such time as the Royalty Account is fully recouped.



(b) "Profits": Net Revenues less (i) Expenses and (ii) all applicable and customary taxes (i.e., not including income taxes) or other similar payments included in Net Revenues and required to be paid by IDJ pursuant to applicable laws which are directly attributable to the exploitation of the applicable Masters, if any. For the avoidance of doubt, Profits shall be calculated on a cumulative basis (*i.e.*, from the date hereof in connection with the applicable Masters). Furthermore, in calculating Profit Share, IDJ shall have the right to hold reasonable reserves in accordance with paragraph 8.01 of the Recording Agreement in respect of anticipated returns of applicable Records hereunder. "Net Revenues": (i) in respect of the exploitation of the applicable Masters in the United States, 100% of Net U.S. Revenues and (ii) in respect of the exploitation of the applicable Masters outside the United States, a royalty equal to twenty-five percent (25%) of the Foreign Royalty Base in respect of Net Sales of Records derived from the applicable Masters. "Foreign Royalty Base": the published price to dealers in the applicable country of sale, without any so-called "container charges" or "packaging deductions". "Net U.S. Revenues": Gross revenues actually derived from the exploitation of Masters in the United States, less actual returns, reserves and credits or discounts to IDJ's customers in connection with Records embodying such Masters. "Expenses": The following expenses relating to the applicable Artist Masters: (i) a distribution and marketing services fee to be retained by IDJ equal to eighteen percent (18%) of Net U.S. Revenues (the "Distribution Fee") together with any additional a la carte or other charges in respect thereof. For the avoidance of doubt, the Distribution Fee shall not be applied to so-called "Ancillary Net Receipts" and so-called "License" income received pursuant to the applicable Masters, provided however that all such Ancillary Net Receipts and License income shall be disbursed as follows: fifty percent [50%] of the gross amount in Ancillary Net Receipts and License income received hereunder shall first be applied towards Grantor's account as provided for in the Recording Agreement; then, eleven and one half percent [11.5%] of the gross amount in Ancillary Net Receipts and License income received hereunder shall be applied to your account hereunder; and then, the balance shall be retained by IDJ for its own account; (iii) any and all marketing, promotion and publicity costs to the extent not recouped from the Artist royalties (with a credit back as and when recouped); (iv) Advances and other recoupable amounts paid to or on behalf of Grantor and/or Artist or any other party in respect of the applicable Masters to the extent not recouped from the Artist royalties (with a credit back as and when recouped); (v) Artist royalties; (vi) mechanical royalties; and (vii) any and all other third party costs actually incurred or paid by IDJ which are directly attributable to the applicable Masters.

2. Profit Accountings.

Subject to subparagraph 1(a) above, but notwithstanding anything the contrary contained in the Recording Agreement, paragraphs 4(a) through 4(f) below shall apply solely in connection with Profit Share accountings.

(a) IDJ will prepare accounting statements of Net Revenue, Expenses, and Profits hereunder on a calendar semi-annual basis. On or before each September 30 or March 31st, IDJ will send such accounting statements to you for the semi-annual accounting period ending the immediately preceding June 30th or December 31st, together with payment of your share of Profits hereunder, if any, for the semi-annual accounting period concerned (less any previous payments of Profits to you) after deducting any and all unrecouped Advances and such amount, if any, that IDJ

may be required to withhold pursuant to the applicable state tax laws, the U.S. Tax Regulations, or any other applicable statute, regulation, treaty, or law. Your fifty percent (50%) share of Profits hereunder (i.e., the Profit Share) is sometimes referred to in this paragraph 4 as "Artist Distributions". Profits payable for any semi-annual accounting period will not be charged with Advances or Expenses paid after the end of such period; provided, if at the end of any accounting period ("Closed Period") IDJ reasonably anticipates that the calculation of Profits for the next accounting period will result in a Cumulative Loss (it being agreed that in making such determination IDJ will include a good faith estimate of the anticipated Net Revenue and the anticipated Expenses for the next accounting period), IDJ will be entitled to hold a reasonable reserve (which, for the avoidance of doubt, shall be separate from any reserves withheld in respect of anticipated returns of applicable Records hereunder) consistent with same from amounts due to you for the applicable Closed Period for the amount of your share of such anticipated loss, provided that in no event will such reserve exceed the amount equal to fifty percent (50%) of the Artist Distributions otherwise payable to you for the applicable Closed Period. IDJ will liquidate any such reserves within one (1) full accounting period after the period in which such reserve was initially established. The calculation of Profits will be made irrespective of the tax treatment of a particular expense, i.e. the fact that the tax authorities requires amortization of a particular expense will not diminish the deductibility of that expense in the accounting period expended. In addition, an expense incurred will be deductible in the accounting period incurred irrespective of the possibility that the actual payment might be delayed into the following accounting period.

(b) Royalties for Records sold for distribution outside the United States ("foreign sales") will be computed in the same national currency and at the same rate of exchange as IDJ is accounted to by its licensees with respect to the sale concerned and will be subject to costs of conversion and any taxes applicable to royalties remitted by or received from foreign sources. Royalties on Records sold outside the United States are not due and payable by IDJ until payment therefor has been received by or credited to IDJ in the United States in United States dollars. For purposes of accounting Profits hereunder, IDJ will treat any foreign sale as a sale made during the same six (6) month period in which IDJ receives its licensee's accounting and payment or credit for that sale. If any law, government ruling or other restriction affects the amount that a IDJ licensee can remit to IDJ, IDJ may deduct from Net Revenue hereunder an amount proportionate to the reduction in such licensee's remittances. If IDJ cannot collect payment for a foreign sale in the United States in U.S. Dollars it will not be required to account to you for that sale, except as provided in the next sentence. IDJ will, at your request and at your expense, deduct from the monies so blocked and deposit in a foreign depository the equivalent in local currency of the portion of royalties that would be payable to you pursuant to the terms hereof on the foreign sales concerned, to the extent such monies are available for that purpose, and only to the extent to which there is a Cumulative Profit hereunder as of the close of the accounting period immediately preceding the accounting period in which such blocked monies are made available to IDJ in such local currency. All such deposits will constitute Profit payments to you for accounting purposes, and such deposits will fulfill IDJ's obligations in connection therewith.

(c) Profits under this agreement will be determined and apportioned on a cumulative basis from inception. If payments of a share of Profits are made to you hereunder with respect to one (1) accounting period and the cumulative calculation of your Profits in a later accounting

period reveals that based on such cumulative calculation Profits have not been apportioned in accordance with the provisions of this agreement, all such "overpayments" to you will be deducted from all sums thereafter due to you. If IDJ makes any overpayment to you (e.g., by reason of an accounting error or by paying you your share of Profits on Records returned later) you will reimburse IDJ to the extent that IDJ does not deduct such sums from monies due you hereunder. IDJ will have the right to deduct from any monies payable to you hereunder such amount, if any, that IDJ may be required to withhold pursuant to the applicable state tax laws, the U.S. Tax Regulations, or any other applicable statute, regulation, treaty, or law.

(d) All accounting statements rendered by IDJ hereunder shall be conclusively binding and not subject to any objection by you for any reason unless specific objection in writing, stating the basis thereof, is given to IDJ within three (3) years from the date such statement is rendered and an audit pursuant to subparagraph (e) below for that statement is completed within six (6) months after such objection notice is given; provided such six (6) month period shall be extended by the amount of time, if any, that IDJ prevents you from commencing such audit. Each statement will be deemed rendered when due unless you notify IDJ in writing that the applicable statement was not received by you and such notice is given within ninety (90) days after the applicable due date specified in subparagraph 4(a) above, in which event the statement will be deemed rendered on the date actually sent by IDJ. Failure to make such written objection or conduct the audit within said time periods will be deemed to be your approval of such accounting statement, your waiver of such audit rights, and your waiver of the right to sue IDJ for additional sums owed for the applicable accounting period. You will not have the right to sue IDJ in connection with any Profit accounting, or to sue IDJ for recovery of sums owed for a particular accounting period, unless you commence the suit within one (1) year after completion of your audit for the applicable period.

(e) You may, at your own expense, audit IDJ's books and records directly relating to this agreement that report the sales or other exploitation of Records for which monies are payable hereunder. You may make such audit only for the purpose of verifying the accuracy of statements sent to you hereunder and only as provided herein. You may initiate such audit only by giving notice to IDJ at least thirty (30) days prior to the date you intend to commence your audit. Your audit will be conducted by a reputable independent certified public accountant experienced in recording industry audits in such a manner so as not to disrupt IDJ's other functions and will be completed promptly. You may audit a particular statement only once and only within three (3) years after the date such statement is rendered as provided in subparagraph 2(a) above. Notwithstanding the foregoing, in the event you conduct an audit of the Royalty Account (the "Royalty Audit"), then such Royalty Audit shall be considered an audit conducted pursuant to and in fulfillment of your rights as set forth this subparagraph 4(b) with respect to the particular statement and Accounting Period that is audited. Your audit may be conducted only during IDJ's usual business hours and at the place where IDJ keeps the books and records to be examined. You will not be entitled to examine any records that do not specifically report sales of Records on which Profits are payable hereunder, however, you will be permitted to examine IDJ's manufacturing records with respect to Records made hereunder. Your auditor will review his or her tentative written findings with a member of IDJ's finance staff designated by IDJ before rendering a report to you so as to remedy any factual errors and clarify any issues that may have resulted from misunderstanding.

period reveals that based on such cumulative calculation Profits have not been apportioned in accordance with the provisions of this agreement, all such "overpayments" to you will be deducted from all sums thereafter due to you. If IDJ makes any overpayment to you (e.g., by reason of an accounting error or by paying you your share of Profits on Records returned later) you will reimburse IDJ to the extent that IDJ does not deduct such sums from monies due you hereunder. IDJ will have the right to deduct from any monies payable to you hereunder such amount, if any, that IDJ may be required to withhold pursuant to the applicable state tax laws, the U.S. Tax Regulations, or any other applicable statute, regulation, treaty, or law.

(d) All accounting statements rendered by IDJ hereunder shall be conclusively binding and not subject to any objection by you for any reason unless specific objection in writing, stating the basis thereof, is given to IDJ within three (3) years from the date such statement is rendered and an audit pursuant to subparagraph (e) below for that statement is completed within six (6) months after such objection notice is given; provided such six (6) month period shall be extended by the amount of time, if any, that IDJ prevents you from commencing such audit. Each statement will be deemed rendered when due unless you notify IDJ in writing that the applicable statement was not received by you and such notice is given within ninety (90) days after the applicable due date specified in subparagraph 4(a) above, in which event the statement will be deemed rendered on the date actually sent by IDJ. Failure to make such written objection or conduct the audit within said time periods will be deemed to be your approval of such accounting statement, your waiver of such audit rights, and your waiver of the right to sue IDJ for additional sums owed for the applicable accounting period. You will not have the right to sue IDJ in connection with any Profit accounting, or to sue IDJ for recovery of sums owed for a particular accounting period, unless you commence the suit within one (1) year after completion of your audit for the applicable period.

(e) You may, at your own expense, audit IDJ's books and records directly relating to this agreement that report the sales or other exploitation of Records for which monies are payable hereunder. You may make such audit only for the purpose of verifying the accuracy of statements sent to you hereunder and only as provided herein. You may initiate such audit only by giving notice to IDJ at least thirty (30) days prior to the date you intend to commence your audit. Your audit will be conducted by a reputable independent certified public accountant experienced in recording industry audits in such a manner so as not to disrupt IDJ's other functions and will be completed promptly. You may audit a particular statement only once and only within three (3) years after the date such statement is rendered as provided in subparagraph 2(a) above. Notwithstanding the foregoing, in the event you conduct an audit of the Royalty Account (the "Royalty Audit"), then such Royalty Audit shall be considered an audit conducted pursuant to and in fulfillment of your rights as set forth this subparagraph 4(b) with respect to the particular statement and Accounting Period that is audited. Your audit may be conducted only during IDJ's usual business hours and at the place where IDJ keeps the books and records to be examined. You will not be entitled to examine any records that do not specifically report sales of Records on which Profits are payable hereunder, however, you will be permitted to examine IDJ's manufacturing records with respect to Records made hereunder. Your auditor will review his or her tentative written findings with a member of IDJ's finance staff designated by IDJ before rendering a report to you so as to remedy any factual errors and clarify any issues that may have resulted from misunderstanding.

3. Reversion.

(a) IDJ hereby agrees to assign to you all of its right, title and interest in all of the Album Six Masters and the Album Seven Masters (other than Master Recordings recorded specifically for a so-called Soundtrack Album or other multi-artist album; provided that with respect to Master Recordings not recorded specifically for such an album but that nonetheless appear on such an album, you will automatically be deemed to have granted to IDJ a license for the continuing exploitation of such Master Recordings on each such album), on the conditions contained in this paragraph 6, the day after the last day of the semi-annual accounting period (the "Reversion Date") in which falls the date twenty (20) years after the initial commercial release date in the United States of the Seventh Album. Notwithstanding the foregoing, in the event the Royalty Account is in an unrecouped position as of the Reversion Date, the Reversion Date will be extended until the day after the last day in the accounting period after the term in which you receive an accounting statement showing the Royalty Account to be in a recouped position. If the Royalty Account is in an unrecouped position after the twenty (20) year period described above, at any time after the term hereof Grantor may pay to IDJ a sum equal to the then current amount of that unearned balance, in which event the Reversion Date shall be the date IDJ receives such payment. Further notwithstanding anything to the contrary contained in this subparagraph 6(a) or elsewhere in this paragraph 6, IDJ's obligation to assign to Grantor the Album Six Masters and the Album Seven Masters is expressly conditioned upon Grantor meeting its obligation to deliver each of the Sixth Album, the Seventh Album, the Eighth Album (as hereinafter defined) and the Ninth Album (as hereinafter defined) hereunder in a Timely Manner in accordance with the applicable provisions of Articles 3 and 4 of the Recording Agreement. Grantor and Artist acknowledge and agree that Grantor's obligation to meet the condition set forth in the preceding sentence is at the essence of the rights granted by IDJ to Grantor pursuant to this paragraph 6 and such obligation shall be deemed a condition precedent to such rights. The term "Timely Manner", as used in this subparagraph 3(a), means that the applicable Album must be delivered within twelve (12) months after IDJ has notified Grantor in writing that Grantor has failed to deliver the applicable Album within the time period set forth in subparagraph 4.01(a)(i) of the Recording Agreement.

(b) All Masters that revert to you pursuant to this paragraph 6 are referred to as "Reverted Masters." After the Reversion Date, IDJ will not manufacture Records derived from the Reverted Masters or sell Records derived from the Reverted Masters, subject to the next sentence. With respect to each Reverted Master, IDJ will not be deemed in breach hereof or otherwise liable to you, as an infringer of copyright or otherwise, with respect to its inadvertent continuing manufacture and sale of Recordings hereunder, until six (6) months after you have notified IDJ of the Reversion Date of such Master, which notice may be given at any time after six (6) months prior to the Reversion Date.

(c) IDJ and its licensees will have six (6) months from the Reversion Date to sell off the existing inventory of Records embodying one or more of the Reverted Masters on a non-exclusive basis. During the six (6) month period prior to such sell-off period, IDJ will not manufacture more units of such Records than were manufactured in the preceding six (6) month period in anticipation of selling off excessive amounts of inventory. After the sell-off period at Grantor's written request, IDJ will destroy all remaining inventory and provide Grantor with a certificate of destruction.



(d) The reversion rights described in this paragraph 6 are subject to any non-exclusive licenses granted by IDJ to third parties in connection with the use or compilation of Reverted Masters hereunder with other reproductions, such as motion pictures. At Grantor's written request, after the date of Grantor's notice to IDJ regarding the Reversion Date as provided in subparagraph 6(b) above, IDJ will inform Grantor of any such rights possessed by a licensee and will instruct any such licensee to pay Grantor directly for any such exploitation of a Reverted Master after the Reversion Date, but the failure of a licensee to so pay directly will not be a breach hereof. Any money received by IDJ from a licensee in respect of such an exploitation of a Reverted Master after the Reversion Date will be paid credited to Grantor's account hereunder.

(e) In connection with Grantor's use of a Reverted Master, Grantor will obtain consents by any Persons to whom IDJ has any contractual liability for an obligation that Grantor would otherwise be responsible for hereunder or whom Grantor has directed IDJ to pay hereunder (e.g., direct payment agreements, obligations to producers and other persons who rendered services in connection with Grantor's Recordings hereunder); and Grantor will obtain new mechanical licenses from the copyright proprietors of Compositions embodied on the Reverted Masters. With respect to Masters recorded in the United States and Canada, Grantor, or the parties licensing rights to the Reverted Masters from Grantor, will also become a first party to the Record Manufacturers' Special Payments Fund Agreement entered into by IDJ with the American Federation of Musicians of the United States and Canada, or the successor agreement then in effect, and all other applicable union agreements. No rights in the Reverted Masters will be effectively conveyed to Grantor until Grantor has complied with all the provisions of the preceding sentence. However, Grantor's failure to comply with the preceding sentence will not be deemed to grant any extended rights to IDJ in connection with the Reverted Masters.

(f) After the Reversion Date, in connection with Grantor's use of the Reverted Masters, Grantor will make all payments required in connection with the manufacture, sale or distribution of Records derived from the Reverted Masters (or other exploitation of the Reverted Masters) including, without limitation, all royalties and other payments to performing artists, producers, owners of copyrights in musical compositions, the Music Performance Trust Fund and Special Payments Funds, and other unions and union funds. You will comply with the applicable rules and regulations of the American Federation of Musicians and any other union having jurisdiction and other applicable laws, rules and regulations covering any use of the Reverted Masters by Grantor or any Person deriving rights from Grantor, in the manufacture and sale of Records or otherwise. Grantor and Artist will indemnify and hold harmless IDJ and its licensees from all claims, damages, liabilities and costs arising out of any use of the Reverted Masters or the exercise of rights in the Reverted Masters by Grantor or Artist or any Person deriving rights from either of you.

(g) IDJ will instruct its foreign licensees not to manufacture or sell (subject to a six (6) month non-exclusive sell-off period) Records derived from the Reverted Masters after the applicable Reversion Date. If Grantor notify IDJ of any such continuing manufacture in a foreign territory, IDJ will instruct the licensee concerned to discontinue it, but IDJ will have no liability by reason of such manufacture at any time.

(h) You will not identify or allow others to identify Records derived from the Reverted Masters with IDJ, directly or indirectly.



4. Digital Retail Store.

IDJ agrees that during the term hereof, Artist may set up and maintain an on-line digital record store (the "Artist Store") on the terms set forth in this paragraph. IDJ agrees to cause UMG to authorize the Artist Store as an authorized digital retailer of UMG on the same terms as then customarily apply to UMG's other similarly situated third party digital retailers (including price and payment terms wherein UMG is paid for each sale appropriately). In addition to selling online versions of Standard LPs (as hereinafter defined) and Deluxe LPs (as hereinafter defined) in the Artist Store on a non-exclusive basis, Artist shall be entitled to sell exclusive "super-deluxe" online versions ("Super Deluxe Version") of Records released by IDJ hereunder in the Artist Store, provided that:

(a) Artist will consult with UMG in advance with respect to any such Super Deluxe Version (including, without limitation, the tracklisting for such Super Deluxe Version) and will deliver all such Super Deluxe Versions in advance to IDJ for ingestion into the UMG system and for delivery back to the Artist Store per standard practice with any retailer;

(b) Artist has previously delivered to IDJ a so-called standard ("Standard LP") and, if IDJ has so requested, a so-called "deluxe" version ("Deluxe Version") of the applicable Album for the current album cycle in question;

(c) such Super Deluxe Version shall be exclusive to the Artist Store for a period not to exceed ninety (90) days and thereafter UMG may deliver such Super Deluxe Version as it deems fit to its other online retail partners;

(d) in no event shall Artist be entitled to exploit any Super Deluxe Version and/or any other materials which contain uncleared third party elements; and

(e) Artist agrees that any such Super Deluxe Version shall not be delivered to IDJ in fulfillment of Artist's Minimum Recording Obligation hereunder.

5. Miscellaneous.

(a) Nothing herein contained shall constitute a partnership between, or joint venture by, the parties hereto, or constitute either party the agent of the other, and neither party shall become liable for any representation, act or omission of the other which is contrary to the provisions of this paragraph.

(b) This writing sets forth the entire understanding between the parties hereto with respect to the subject matter hereof, and no modification, amendment or waiver of this document shall be binding upon either party hereto unless confirmed by a written instrument signed by an authorized signatory of the party sought to be bound. No waiver of any provision of, or waiver of, a default under this Amendment or any failure to exercise rights hereunder shall prejudice the rights of either party thereafter, nor shall it form precedent for the future.

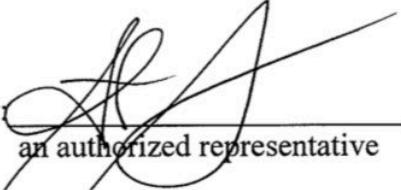


(c) Except as expressly or by necessary implication modified hereby, the terms and binding effect of the Recording Agreement are hereby ratified and confirmed without limitation or exception.

(d) This Amendment may be signed in counterparts, and may be executed and delivered by facsimile and or electronic mail as a pdf, which when taken together will have the same effect as if signed in its original form by all the parties.

Very truly yours,

THE ISLAND DEF JAM MUSIC GROUP,
A division of UMG Recordings, Inc.

By: 
an authorized representative

AGREED AND ACCEPTED:

2 CA
By: _____
Kanye West

QUINN EMANUEL URQUHART & SULLIVAN, LLP

MEMORANDUM

PRIVILEGED & CONFIDENTIAL
ATTORNEY-CLIENT PRIVILEGE
ATTORNEY WORK PRODUCT

TO: File
FROM: Quinn Emanuel
DATE: January 9, 2019
RE: Kanye West's Label Agreements

Below are the key terms of Kanye West's main licensing agreement and subsequent modifications thereto.

Parties	
Agmt. Date/ Name	Terms
May 31, 2011 [Original Label Agreement]	Island Def Jam Music Group ("IDJ") and Getting Out Our Dreams, Inc. ("GM")
May 7, 2012 [2012 Label Amendment]	IDJ and GM
Mar. 17, 2016 [2016 Label Amendment]	IDJ and GM (NB: "UMG" is named as the party in contract with GM).

1

Duration	
Agmt. Date/ Name	Terms
May 31, 2011 [Original Label Agreement]	<u>Term</u> <p>Three (3) Contract Years commencing on April 1, 2011. As used herein, "Contract Year" shall mean a period of twelve (12) months, unless otherwise suspended or extended as set forth in this agreement. IDJ shall have the right to suspend the Term during any Contract Year in which GM does not deliver to IDJ at least two (2) Albums, and the applicable Contract Year will be suspended until such two (2) Albums have been so delivered.</p>
May 7, 2012 [2012 Label Amendment]	<u>Term</u> , Section (1)(A) <p>IDJ and GM hereby agree to extend the term of the Label Agreement for a period of two (2) years, commencing on the date immediately following the day on which the Label Agreement was originally scheduled to expire (i.e., March 31, 2014) and continuing through and until the date March 31, 2016 (the "Extended Term"). The terms and conditions of the Label Agreement during the Extended Term shall be the same as the terms and conditions of the Label Agreement prior to the Extended Term, except as otherwise set forth herein. The two (2) years comprising the Extended Term may sometimes be referred to herein as the "fourth Contract Year" and the "fifth Contract Year".</p>
Mar. 17, 2016 [2016 Label Amendment]	<u>Term/Product</u> , Section 1 <p>Notwithstanding anything to the contrary contained in the Label Agreement (including, without limitation, this Label Amendment), UMG and GM hereby agree to extend the term of the Label Agreement for a period of two (2) years, commencing on the date immediately following the day on which the Label Agreement was originally scheduled to expire (i.e. March 31, 2016) and continuing through and until March 31, 2018 (the "Extended Term"). The terms and conditions of the Label Agreement during the Extended Term shall be the same as the terms and conditions of the Label Agreement prior to the Extended Term, except as otherwise set forth herein. The two (2) years comprising the Extended Term may sometimes herein be referred to as the "Sixth Contract Year" and the "Seventh Contract Year". For the purpose of clarification, GM will be deemed to have satisfied its delivery obligations for the Fifth Contract Year so that the Fifth Contract Year shall end on March 31, 2016.</p>

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Obligations	
Agmt. Date/ Name	Terms
May 31, 2011 [Original Label Agreement]	<p>Services</p> <p>During the Term, as defined below, GM will provide to IDJ exclusive record label executive services (including the exclusive record label executive services of Kanye West ("Kanye")), including, without limitation, exclusive talent-finding and submission to IDJ of recording artists, A +R services in relation to submitted artists accepted by IDJ, and general oversight of the development, creative, marketing, promotion and label services related to such artists and their recordings. GM and Kanye shall continue to have the right to render services in respect of the recording artists signed prior to the date hereof, which are: John Legend, Kid Cudi, Mr. Hudson and Big Sean, provided, however that same shall not materially limit the ability of GM and/or Kanye to perform its or his services and obligations hereunder.</p> <p>In the event that IDJ passes on a submitted Artist (a "Rejected Artist"), GM will have the right to take such Rejected Artist to a third party label subject to the following (i) the Rejected Artist will first be offered (through GM) to other labels within the UMG group of labels, and such other UMG labels shall have no longer than ten (10) business days from the date IDJ rejects such artist to determine if such other UMG label wishes to enter into a recording agreement with GM with respect to such artist (and the financial terms of such agreement as to GM will be the same as those contained herein, other than the Overhead and Advance payments to GM); (ii) if no other UMG label enters into an agreement with GM with respect to the particular rejected artist, then GM shall have the right to enter into an agreement with a third party label in respect of the Rejected Artist, subject to GM or such label paying IDJ an offset against Overhead payments in an amount equal to the Overhead payment in the applicable Contract Year multiplied by a fraction, the numerator of which is one (1) and the denominator of which is the number of Artists then signed to the GM label; and (iii) GM will neither furnish the services of nor provide A +R or label services related to more than two (2) Rejected Artists will be signed to exclusive recording agreements with record labels other than IDJ during the Term. If neither GM nor Kanye, nor any of GM or Kanye's affiliates, enters into an agreement related to the services of a Rejected Artist with a third party label (but the Rejected Artist does so directly and not through or otherwise affiliated with GM and/or Kanye), GM and Kanye shall have no obligation to IDJ pursuant to the foregoing. An agreement related to Kanye's services (for example, as a producer or re-mixer) for a Rejected Artist (whether engaged by a third party label, a Rejected Artist or any other entity) shall not give rise to Overhead re-payment obligation described above.</p>

3

Obligations	
Agmt. Date/ Name	Terms
	<p>Creative</p> <p>Key Man: During the Term, Kanye will be the key creative executive of GM.</p> <p>Creative Issues: During the Term, GM and Kanye shall have complete Creative Control, subject only to meaningful consultation with IDJ, with respect to selection of Compositions to be recorded, Producers, Recording Studios, selection of Album Artwork, and Video concept and Director. Any other creative issues will be determined by GM and Kanye, subject only to IDJ's reasonable approval not to be unreasonably withheld or delayed.</p> <p>If the Creative Issues and materials are not timely delivered for reasons within GM's and/or Kanye's sole control, based on schedules of which GM is made aware and has approved, or if any materials would, as confirmed by a third party retailer, significantly impair the commercial viability of a product, then, subject to GM's and Kanye's prior written approval, not to be unreasonably delayed and, if denied, then with commercially reasonable specific reasons as to such denial, IDJ may proceed based on a viable alternative which GM and Kanye have reasonably approved in writing in advance as above.</p> <p>Artist Submission: During the Term, GM and Kanye will submit all available artists which GM desires to furnish to a record label and/or enter into an agreement for such artist's exclusive recording services, exclusively to IDJ for consideration. GM and IDJ will mutually determine the basic material terms on which the applicable accepted artists will enter into exclusive recording agreements on IDJ's standard form agreement and in accordance with industry standards and IDJ and its parent Company's standard terms and conditions.</p> <p>GM and Kanye to have reasonable approval of the terms of the Artist agreements, subject to IDJ and UMG policies as to minimum contractual terms, and shall be involved in the negotiation of same.</p> <p>IDJ to provide customary label services, including, without limitation, business and legal affairs functions.</p> <p>Label Roster / Artist Contributions:</p> <p>IDJ will contribute to the New Label the following artists: (i) Big Sean; and (ii) Pusha T, when such artist signs an exclusive agreement with IDJ.</p>

4

Obligations	
Agmt. Date/ Name	Terms
May 7, 2012 [2012 Label Amendment]	<p><u>Term</u>, Section (1)(b)</p> <p>IDJ hereby waives its right to suspend the Term for GM's failure to deliver to IDJ at least two (2) Albums during the first Contract Year (i.e., during the period April 1, 2011 to March 31, 2012).</p> <p>[NB: The two album obligation is in the "term"/duration section of the original label agreement]</p> <p>Artist Signings, Section (6)(c)-(d)</p> <p>(c) With respect to each Contract Year of the Term other than the first Contract Year, you may cause IDJ to accept one (1) artist of your choice, submitted by you hereunder in accordance with the terms hereof, by notice to IDJ to such effect (such right being referred to herein as a "Put"). Upon proper exercise of a Put, the applicable artist will be deemed an Artist hereunder. The material terms of any Artist Agreement entered into as a result of your exercise of a Put shall be subject to IDJ's and your mutual approval. With respect to IDJ approving said material terms, IDJ shall not withhold its approval of a recording fund in connection with the first Album required to be delivered under such Artist Agreement that does not exceed Five Hundred Thousand Dollars (\$500,000) or other terms that are consistent with an exclusive recording agreement of that magnitude and with IDJ's standard terms and conditions and policies as to contractual terms. For the avoidance of doubt, your failure to exercise a Put with respect to a Contract Year shall cause your right to exercise such Put to lapse, it being understood that you may not exercise such Put in any subsequent Contract Year.</p> <p>(d) That certain section of the Label Agreement entitled "Services", located on page 1 of the Label Agreement, is hereby modified such that: (i) the 2nd paragraph thereof is revised to allow for three (3) Rejected Artists during the Term, as opposed to two (2); and, (ii) the Overhead reduction formula described in such paragraph shall not apply except as follows: it is specifically understood and agreed that if there shall be more than two (2) Rejected Artists signed by you and/or Principal to recording agreements with the same Person (or with record labels or divisions within the same parent company or organization) other than IDJ at any time during the Term, then the Overhead reduction formula described in such paragraph shall apply. For the avoidance of doubt, in the event that IDJ determines that it does not wish to exercise the option to extend the term of an Artist Agreement for an additional contract period and GM decides that it does so wish to exercise such option, then without limiting any</p>

Obligations	
Agmt. Date/ Name	Terms
	<p>of IDJ's rights (e.g., without limitation, such artist shall first be offered to other labels within the Universal Music Group), GM shall have the option to exercise such option on its own behalf and have IDJ assign to GM all prospective rights and obligations under the applicable Artist Agreement. If GM exercises the option described in the preceding sentence, then the applicable Artist shall be deemed a Rejected Artist hereunder. Principal shall devote significant personal efforts and such time as may be necessary to the Artists' recordings hereunder and the fulfillment of GM's obligations to IDJ. In no event shall activities under such third party agreements materially interfere with the Principal's or your obligations hereunder.</p>
Mar. 17, 2016 [2016 Label Amendment]	<p>[NB: Delivery Obligations are discussed in Section 1 under "Term" (Duration)].</p> <p>Further Delivery Obligations, Section 5:</p> <p>Cruel Summer Film. One Million Five Hundred Thousand Dollars (\$1,500,000) ("Film Costs") in overall film cost Expenses shall be removed from GM's unrecouped balance (i.e., the Film Costs shall be "forgiven"), provided at least four (4) GM albums (inclusive of the joint album by "Big Sean and "Jhene Aiko") are delivered to UMG for release within fifteen (15) months from the date hereof.</p>

Profit Advances	
Agmt. Date/ Name	Terms
May 31, 2011 [Original Label Agreement]	<p><u>Profit Share</u></p> <p>IDJ will pay to GM an advance ("Profit Advance") recoupable against GM's share of Profits, in the amount of One Million Dollars (\$1,000,000); which will be paid one-half (112) promptly following the execution of this short-form agreement, and one-half (112) promptly after the complete execution of the more formal agreement, but in no event later than June 15, 2011.</p>
May 7, 2012 [2012 Label Amendment]	<p><u>Profit Advances</u>, Section 2</p> <p>IDJ will pay GM the following amounts, each of which shall be deemed a Profit Advance (i.e., a prepayment of GM's share of Profits), as follows:</p>

Profit Advances	
Agmt. Date/ Name	Terms
	<p>(a) Three Hundred Thousand Dollars (\$300,000) promptly following full execution hereof (the "Execution Payment"). GM hereby acknowledges its receipt of the Execution Payment pursuant to that certain amendment to the Label Agreement, dated April 24, 2012; consequently, paragraph 2 of such amendment shall no longer apply;</p> <p>(b) Two Hundred Thousand Dollars (\$200,000) promptly following January 1, 2013; and</p> <p>(c) Promptly following the commencement of the fourth Contract Year of the Term (i.e., April 1, 2014), an amount equal to One Million Dollars (\$1,000,000) less the amount of Profit Advances then remaining unrecouped, but in no event less than Five Hundred Thousand Dollars (\$500,000).</p>

Marketing. Section 5 [NB: Advances are discussed here as well]

- (a) In connection with the initial commercial release in the United States of each Album hereunder, you will prepare and submit to IDJ, for IDJ and you to mutually approve, a marketing plan and accompanying budget with respect to all costs of marketing, promotion, publicity, and advertising, including without limitation, the cost of promotional Records and videos (hereinafter referred to collectively as the "Third Party Marketing Costs"). In the event of a disagreement between IDJ and you as to any element of a marketing plan or accompanying budget, then at Principal's request, senior executives of both IDJ and GM will make themselves available to each other to attempt to resolve the dispute; if a disagreement persists after such discussion(s), then IDJ's decision with respect thereto shall control. IDJ will provide certain of IDJ's in-house services in connection with any such marketing plan, such as promotion, marketing, publicity and advertising, and creative (e.g., video production and artwork supervision). Any and all decisions with respect to how IDJ provides any of such in-house services will be made mutually by IDJ and you, provided that in the event of a dispute, IDJ's decision shall control.
- (b) IDJ will advance or incur Third Party Marketing Costs that are part of the marketing plan approved in writing by IDJ and you for the Album concerned; provided, however, that in connection with each such Album, IDJ

Profit Advances	
Agmt. Date/ Name	Terms
	<p>shall incur Third Party Marketing Costs of no less than the greater of: (i) Two Hundred Fifty Thousand Dollars (\$250,000); or, (ii) an amount equal to twenty five percent (25%) of the amount in Net U.S. Revenues that IDJ projects earning from sales of its initial shipment of the Album concerned, which projection IDJ determines in its sole good faith reasonable discretion.</p>
Mar. 17, 2016 [2016 Label Amendment]	<p><u>Profit Advances,</u> Section 2</p> <p>UMG will pay GM the following amounts, each of which shall be deemed a Profit Advance (i.e., a prepayment of GM's share of Profits), as follows:</p> <ul style="list-style-type: none"> (a) Sixth Contract Year. <ul style="list-style-type: none"> i. Two Hundred Fifty Thousand Dollars (\$250,000) promptly following the complete execution hereof (the "Execution Profit Advance"); and ii. Two Hundred Fifty Thousand Dollars (\$250,000) promptly following delivery to UMG of the next GM artist studio album (the "Delivery Profit Advance") (solely for the purpose of this paragraph 2[a][ii], the joint album featuring the performances of the artist p/k/a "Big Sean" and the artist p/k/a "Jhene Aiko" ("Joint Album" shall be deemed a GM studio album), provided such album is delivered to UMG for commercial release in 2016. For the avoidance of doubt, the parties hereby acknowledge that the Joint Album has been delivered to UMG and the Delivery Profit Advance shall be payable to GM promptly following the complete execution hereof. (b) Seventh Contract Year: Five Hundred Thousand Dollars (\$500,000) promptly following the commencement of the Seventh Contract Year, less the amount of Profit Advances then remaining unrecouped. <p><u>GM General Marketing Fund,</u> Section (3)(B)</p> <p>During the Extended Term, solely in connection with GM's artists, GM shall have a discretionary marketing fund of Two Hundred Fifty Thousand Dollars (\$250,000) (the "GM General Marketing Fund") per Contract Year of the Extended Term. Notwithstanding the generality of the foregoing, the GM General Marketing Fund shall be</p>

Profit Advances	
Agmt. Date/ Name	Terms
	administered by UMG and paid directly to "third-party" vendors at GM's direction, promptly following UMG's receipt of invoices that comply with UMG's reasonable requirements and applicable support documentation in connection therewith. For the purpose of this paragraph 3B, the parties stipulate that DONDA Services, Donda Design Lab, LLC., and the individual p/k/a "Consequence" are all approved "third party" vendors.

Overhead Funding	
Agmt. Date/ Name	Terms
May 31, 2011 [Original Label Agreement]	<p>Label Overhead Funding</p> <p>During each Contract Year of the Term, IDJ shall fund Eight Hundred Thousand Dollars (\$800,000) toward the New Label's operating expenses ("Overhead Funding") payable in equal quarterly installments of Two Hundred Thousand Dollars (\$200,000) each at the beginning of each quarter, and subject to a customary stop/loss provision [such that if at any time after the twenty-fourth (24th) month of the Term the label has then-current or cumulative losses of Three Million Five Hundred Thousand Dollars (\$3,500,000) or more then IDJ shall have the option by written notice to GM to terminate the Term within thirty (30) days after such cumulative Loss has been reached]. For the avoidance of doubt, fifty percent (50%) of the Profit Advance (i.e. Five Hundred Thousand Dollars (\$500,000)) shall be disregarded for purposes of computing the loss threshold set forth in this paragraph.</p>
May 7, 2012 [2012 Label Amendment]	<p>Label Overhead Funding, Section 3</p> <p>(a) Solely in the event that the account under the Label Agreement earns at least Twenty Million Dollars (\$20,000,000) (the "Revenue Threshold") in Net U.S. Revenues during any Contract Year of the Term, then the amount that IDJ is currently required to pay to GM in Overhead Funding with respect to such Contract Year and each subsequent Contract Year (i.e., \$800,000 if the second or third Contract Year, and \$1,000,000 if the fourth or fifth Contract Year) shall be increased by One Hundred Thousand Dollars (\$100,000) (the "Additional</p>

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Overhead Funding	
Agmt. Date/ Name	Terms
	<p>Overhead Funding"). IDJ shall pay GM the Additional Overhead Funding, if at all, promptly after IDJ has determined that the Revenue Threshold has been achieved. For purposes of clarification, once the Revenue Threshold is achieved, the Additional Funding will apply to each subsequent Contract Year, but the Overhead Funding will not increase further in such subsequent Contract Year simply because the Revenue Threshold is achieved again. (For example, if the account under the Label Agreement earns \$20,000,001 in the second Contract Year, the Overhead Funding for the third Contract Year will be \$100,000 over the minimum, or \$900,000. If the account under the Label Agreement earns only \$18,000,000 in the third Contract Year, the Overhead Funding for the fourth Contract Year will remain at \$100,000 over the applicable minimum for that year, or \$1,100,000. If the account under the Label Agreement earns \$20,000,001 in the third Contract Year, the Overhead Funding for the fourth Contract year will still be \$1,100,000 (and will not increase to \$1,200,000).</p> <p>(b) Solely in the event that the account under the Label Agreement earns in excess of Twenty Three Million Dollars (\$23,000,000) in Net U.S. Revenues during any Contract Year of the Term, then the amount that IDJ is required to pay to GM in Overhead Funding with respect to such Contract Year and each subsequent Contract Year (i.e., \$900,000 if the second or third Contract Year, or \$1,100,000 if the fourth or fifth Contract Year) shall be increased by Fifty Thousand Dollars (\$50,000); and, the amount that IDJ is required to pay to GM in Overhead Funding with respect to such Contract Year and each subsequent Contract Year shall be further increased by Fifty Thousand Dollars (\$50,000) with respect to each full Three Million Dollars (\$3,000,000) in Net U.S. Revenues earned hereunder during such Contract Year that is in excess of Twenty Three Million Dollars (\$23,000,000). IDJ shall pay GM such Additional Overhead Funding, if at all, promptly after IDJ has determined that the requisite Net U.S. Revenue amount has been achieved. For purposes of clarification, once a threshold for additional Overhead Funding is achieved, the additional Overhead Funding amount will apply to each subsequent Contract Year, but the Overhead Funding will not increase further simply because the same additional Overhead Funding threshold is achieved again subsequently. (For example, if the account under the Label Agreement earns \$20,000,001 in the second Contract Year, the Overhead Funding for the third Contract Year will be \$100,000 over the minimum , or \$900,000. If the account under the Label Agreement earns \$23,000,001 in the third Contract Year, the Overhead Funding for the fourth Contract Year will be \$150,000 over the applicable minimum for that year, or \$1,150,000. If the account under the Label Agreement earns \$20,000,001 in the fourth Contract Year, the Overhead Funding for the fifth Contract year will still be \$1,150,000.).</p>

Overhead Funding																	
Agmt. Date/ Name	Terms																
	<p>(c) Notwithstanding anything to the contrary contained in subparagraphs 3(a) and 3(b) above, IDJ shall not pay GM Overhead Funding with respect to each Contract Year that is less than, nor more than, the following amounts:</p> <table> <thead> <tr> <th></th> <th style="text-align: center;"><u>Minimum</u></th> <th style="text-align: center;"><u>Maximum</u></th> </tr> </thead> <tbody> <tr> <td>second Contract Year</td> <td style="text-align: center;">\$800,000</td> <td style="text-align: center;">\$1,500,000</td> </tr> <tr> <td>third Contract Year</td> <td style="text-align: center;">\$800,000</td> <td style="text-align: center;">\$1,500,000</td> </tr> <tr> <td>fourth Contract Year</td> <td style="text-align: center;">\$1,000,000</td> <td style="text-align: center;">\$2,000,000</td> </tr> <tr> <td>fifth Contract Year</td> <td style="text-align: center;">\$1,000,000</td> <td style="text-align: center;">\$2,000,000</td> </tr> </tbody> </table>			<u>Minimum</u>	<u>Maximum</u>	second Contract Year	\$800,000	\$1,500,000	third Contract Year	\$800,000	\$1,500,000	fourth Contract Year	\$1,000,000	\$2,000,000	fifth Contract Year	\$1,000,000	\$2,000,000
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Mar. 17, 2016 [2016 Label Amendment]	<p><u>Label Overhead Funding</u>, Section 3</p> <p>UMG shall pay GM Overhead Funding in the amount of Three Million Two Hundred Thousand Dollars (\$3,200,000) during the Extended Term (i.e., One Million Six Hundred Thousand Dollars (\$1,600,000) per year of the Extended Term, paid on a quarterly basis).</p>																

Royalties/Profits/Distribution Fee		
Agmt. Date/ Name	Terms	
May 31, 2011 [Original Label Agreement]	<p><u>Profit Share</u></p> <p>IDJ will accrue to GM's account hereunder a profit share ("Profit Share") in an amount equal to fifty percent (50%) of the New Label's Profits, provided that the Profit Share shall not be due and payable until all Profit Advances have been recouped by IDJ from the Profit Share otherwise payable to GM hereunder.</p> <p><u>"Profits"</u>: Net Revenues less (i) Expenses and (ii) all applicable and customary taxes or other payments included in Net Revenues and required to be paid by IDJ pursuant to applicable law which are directly attributable to the</p>	

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	<p>exploitation of masters by New Label Artists, if any. For the avoidance of doubt, Profits shall be calculated on a cumulative basis (i.e., from the commencement of the New Label Term). Furthermore, in calculating Profit Share, IDJ shall have the right to hold reasonable reserves in respect of anticipated returns of Records hereunder.</p> <p><u>"Net Revenues"</u>: (i) in respect of the exploitation of Artist Masters in the United States, 100% of Net U.S. Revenues and (ii) in respect of the exploitation of Artist Masters outside the United States, a royalty equal to twenty-five percent (25%) of the Foreign Royalty Base in respect of Net Sales of Records derived from Label Artist masters. "Foreign Royalty Base": the published price to dealers in the applicable country of sale, without any so-called "container charges" or "packaging deductions".</p> <p>"Net U.S. Revenues": Gross revenues actually derived from the exploitation of Artist Masters in the United States, less actual returns and credits of Records embodying New Label Artist masters.</p> <p>"Expense": The following expenses relating to New Label Artist masters: (i) a distribution and marketing services fee to be retained by IDJ equal to eighteen percent (18%) of Net U.S. Revenues (the "Distribution Fee") together with any additional a la carte or other charges in respect thereof [the Distribution Fee shall not be applicable to so-called "Ancillary Net Receipts" and / or so-called "License" income received pursuant to the applicable Artist agreement]; (ii) manufacturing, artwork and production costs; (iii) any and all marketing, promotion and publicity costs to the extent not recouped from the Artist royalties (with a credit back as and when recouped); (iv) advances and other recoupable amounts paid to or on behalf of New Label Artists or any other party in respect of New Label Artist masters to the extent not recouped from the Artist royalties (with a credit back as and when recouped); (v) Artist royalties; (vi) mechanical royalties; (vii) New Label Overhead Funding; and (viii) any and all other costs actually incurred or paid by IDJ which are directly attributable to the New Label.</p> <p>GM intends to hire an A+R Executive for the New Label, and part of such A+R Executive's compensation will include a one percent (1%) override royalty ("Exec Override Royalty") to be paid on a prospective basis only following recoupment of the applicable New Label Artist's royalty account pursuant to their respective recording agreement (on an album by album basis, as otherwise computed under the IDJ A+R royalty plan applicable to senior executives). Such Exec Override Royalty shall otherwise be calculated and paid in the same manner and at the same times as the applicable New Label Artist's recording agreement. IDJ shall pay the Exec Override Royalty on behalf of</p>	

Royalties/Profits/Distribution Fee							
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	<p>New Label, as and when required, it being understood and agreed that seventy-five percent (75%) of such Executive Override Royalty payments shall be deducted from Profits otherwise due and payable to GM hereunder, and the balance shall be borne by IDJ (and shall not be an Expense hereunder).</p>						
May 7, 2012 [2012 Label Amendment]	<p>Distribution Fee, Section 4 [NB: Discusses royalties here as well]</p> <p>(a) Solely in the event that Net U.S. Revenues derived from the Net Sale of Records hereunder with respect to any Contract Year of the Term exceed Twenty Five Million Dollars (\$25,000,000)(the "Second Revenue Threshold"), the Distribution Fee shall prospectively be reduced to seventeen percent (17%) of Net U.S. Revenues with respect to the distribution, sales and other exploitation of Records hereunder (the "New Rate") during the remainder of such Contract Year; provided, however, that if the Second Revenue Threshold is achieved or exceeded during any two (2) consecutive Contract Years of the Term, then the Distribution Fee shall prospectively be reduced to the New Rate with respect to the remainder of the Term.</p> <p>(b) Solely in the event that the revenue derived from the royalty payable hereunder with respect to the exploitation of Artist Masters outside of the United States ("Foreign Revenue") exceeds the amount set forth below under the column entitled "Foreign Revenue" during any Contract Year of the Term, then the royalty payable hereunder with respect to exploitation of Artist Masters outside of the United States shall prospectively be increased from twenty five percent (25%) to the rate set forth below under the column entitled "Royalty" and shall remain in effect only during the remainder of the applicable Contract Year:</p> <table> <thead> <tr> <th>Foreign Licensing Revenue</th> <th>Royalty</th> </tr> </thead> <tbody> <tr> <td>Six Million Dollars (\$6,000,000)</td> <td>26%</td> </tr> <tr> <td>Ten Million Dollars (\$10,000,000)</td> <td>27%</td> </tr> </tbody> </table>	Foreign Licensing Revenue	Royalty	Six Million Dollars (\$6,000,000)	26%	Ten Million Dollars (\$10,000,000)	27%
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Mar. 17, 2016 [2016 Label Amendment]	<p>Distribution Fee, [NB: Discusses royalties here as well]</p> <p>During the Extended Term, in the event that Foreign Revenue exceeds Fifteen Million Dollars (\$15,000,000) during any Contract Year of the Extended Term, the royalty payable hereunder with respect to the exploitation of Artist Masters outside of the United States shall prospectively be increased to twenty-eight percent (28%).</p>						