

RECORDING AGREEMENT

An agreement is entered into this 26th day of May of the year 2003, between:

THE END RECORDS, 331 Rio Grande St #58, SLC UT 84101
here and after known as and referred to as "company"

and

ØYVIND SUNDSTRØM, bound to this contract under and only under the artist name "FRANTIC BLEEP", whose address is Damstien 15, N-2208 Kongsvinger, Norway, here and after known as and referred to as "artist"

1. TERM

- 1.1 The term of this agreement is fixed to THREE (3) full-length albums of original material.
- 1.2 After all commitments are completed (contract expiration), if the two parties do not renew their collaboration further, the company will continue all payments due to the artist for all royalties not yet paid to the artist, with no exceptions, regardless of contract expiration. The company shall retain the rights to sell and market the artist's product covered by this agreement, while also continuing royalty payments to the artist. It is understood that this contract's term is considered fulfilled the very moment the artist has completed the duties referred to in section 1.1, regardless of the expected time duration.

2. COMMITMENT

- 2.1 During the term, the artist shall provide the company with exclusive service as a recording artist under the name "FRANTIC BLEEP" in the territories covered by this agreement. No other company shall use the name "FRANTIC BLEEP" or its recordings in these territories, even with consent from the artist, without prior consent from the company. This restriction excludes previously released material by other companies.
- 2.2 With this agreement, the artist is linked to the company as and only as "FRANTIC BLEEP", and remains completely free to record as an individual musician with other parties.
- 2.3 During the term, the artist guarantees the recording of THREE (3) full-length albums, where album is meant as a recorded master with a minimum length of 35 minutes of music.

3. TERRITORY

- 3.1 The territory covered in this agreement includes all the countries of the world.

4. GRANT OF RIGHTS

- 4.1 The artist grants the following rights to the company:
 - a) Exclusive rights to THREE (3) master recordings of material recorded by the artist.
 - b) The exclusive rights to exploit these recording in any way desired by the company so long as the master recording remains in its original and unaltered form.
 - c) Exclusive rights to manufacture, distribute, and sell records.
 - d) Exclusive rights to promote, advertise and exploit records.
 - e) Exclusive rights to use the artist name "FRANTIC BLEEP" for all purposes of this agreement.

5. ARTIST'S WARRANTIES AND UNDERTAKINGS

- 5.1 The artist will not during the term grant permission for any party to do anything that will interfere with the company's rights.
- 5.2 The artist shall provide the company with a mechanical license permitting the company to use the artist's copyrighted works. The artist shall also provide the company with any additional mechanical licenses required for the recording of copyrighted works not owned by the artist such as sampled material, etc.
- 5.3 The artist has and shall have for the whole term of this agreement, total artistic freedom on choice of album title, song titles, song sequence, album front cover and artwork, and advertisement artworks. The artist can at any moment request from the company to see, and then approve or reject any of the mentioned materials if suggested by the company.

6. ACCOUNTING OBLIGATIONS

- 6.1 The company will deliver to the artist a financial statement explaining details of sales, including still not paid copies and already paid copies, for which the artist shall be paid.
- 6.2 Accounting shall start immediately after an album's release, and the first statement is due to the artist within 90 days after the nearest semi-annual accounting period's end, which will be on either June 30th or December 31st. Semi-annual statements shall then follow, and the same conditions apply. Statements shall continue to be delivered to the artist for any accounting period where copies have been sold of the artist's records, regardless of contract expiration.
- 6.3 The artist shall have auditing rights to be exercised under artist's expense, within 10 days of a written notice requesting such an audit, with a limitation of one audit per statement rendered. If there are mistakes in the statements, the audit will be conducted at the company's expense.

7. THIRD PARTY AGREEMENT

- 7.1 The company may enter into an agreement with a third part concerning licensing or similar arrangements, with the written consent of the artist.
- 7.2 The company shall endeavor to negotiate the terms of any third party agreement to the maximum advantage for both the artist and the company.

8. ADVANCES

- 8.1 In exchange for the artist's grant of rights to the company, the company shall make the following advance payments to the artist:
 - a) \$4,000
 - b) And \$4,000 for each additional album.
- 8.2 Advances are funds advanced from the company to the artist before the release date, and are meant to cover recording costs and instrument rental costs as well as possible expenses to pay session-invited musicians or producers.
- 8.3 All further expenses are at the complete charge of the company including but not limited to all costs of production and mastering of the album, all graphic artwork costs, advertisements, etc.

9. ROYALTIES

- 9.1 The artist's royalty is set to the following:
- a) 15% of total sales, with a fixed sale price of \$10 per album. This excludes promotional copies, which are generally given away at no charge.
 - b) 25 copies of the finished product of each release by the artist, to be delivered to the artist after pressing at the company's charge.
- 9.2 Advances are deducted from the artist's sales royalties (a), and while these royalties are not paid until the advances have been recouped, the artist will not owe the company in the event that artist royalties should amount to less than the advances received.
- 9.3 In the event that the company is not also the publisher of the recorded titles covered in this agreement, any mechanical royalties collected by or on behalf of the artist will also be deducted from the sales royalty. In the same manner as above, the artist will not owe the company in the event that the mechanical royalties should amount to more than the sales royalty.
- 9.4 The parties covered by this agreement have hereby contracted an agreed mechanical royalty rate equivalent to 50% of the statutory rate for any recorded titles to which the artist holds copyright. The contracting parties have also agreed to a maximum of TEN (10) paid titles per each album release. For the year 2003 the statutory rate is set to \$0.08 per title per copy. For example, if the album contains 10 songs or more, the payable mechanical royalty will then be \$0.40 per album if the album is released in the year 2002.

10. CURE AND BREACH

- 10.1 No breach of this agreement shall be considered material unless notified in writing. The party in breach will then be given 30 days to remedy such a breach, in default of which, the party serving the notice may terminate this agreement immediately.

11. CONTEST OR DISPUTE

- 11.1 In the event of an unsettled dispute over this agreement, the agreement can be exclusively tried at the Courts of Salt Lake City in the state of Utah of the United States of America.

Both parties have entered into this agreement willingly and have the legal right to do so. Both parties fully understand the terms of this agreement and have had the opportunity to seek legal advice regarding its contents. Both parties are conscious that this agreement could be used for legal purposes in the event of breach by either party. This agreement contains 3 pages and shall be rendered invalid as proof for any part of its terms unless presented in its entirety.

Signed on this 26th day of May of the year 2003 by:

Andreas Katsambas

on behalf of THE END RECORDS

Øyvind Sundstrøm

on behalf of FRANTIC BLEEP