

# PHANTOM PRODUCTIONS, INCORPORATED

701 North Brazos, Suite 500 0 P.O.Box 4870

Austin, Texas 78765 USA

## PERSONAL MANAGEMENT AGREEMENT

AGREEMENT made on October 1, 1988 by and between MARK LUKE DANIELS, the ARTIST and PHANTOM PRODUCTIONS, INCORPORATED (hereinafter called Manager).

Whereas the Artist wishes to obtain advice and direction in the advancement of his professional career, and  
Whereas the Manager, by reason of knowledge and experience, is qualified to render such advice and direction,  
NOW THEREFORE, in consideration of the mutual promises set forth here, the Artist and Manager do agree:

### DEFINITIONS

ARTIST - The first party to this agreement who appoints the second party, the Personal Manager. The artist may be one individual or more comprising the professional performing group. If more than one individual signs this Agreement as an Artist member of the performing group, then this Agreement shall be binding upon all such persons individually and severally, and all of the representations, warranties, agreements and obligations contained herein shall be deemed to be individual, joint and several.

This agreement covers all of the professional talents, activities and services of the Artist in all sectors and media of the arts and entertainment industry, as an instrumentalist, singer, actor, entertainer, composer, writer, editor, arranger, orchestrator, publisher, executive, producer, manager, audio technician, promoter and packager.

PERSONAL MANAGER - is used here to describe the party who advises and counsels and directs the Artist's career and manages the artist's business affairs.

THIRD PARTY - is any individual, company or corporation with whom the artist and/or manager do business related to this agreement, e.g., talent agent, producer, publisher, record company, production company, promoter, business manager, accountant, auditor, union or guild, broadcaster, merchant, advertiser.

ENTERTAINMENT INDUSTRY - is used here, not only in its generally understood meaning, but also includes all related aspects of literary activity, publishing, broadcasting, filming, telecommunications, promotion, merchandising, advertising, through all media of communication now known or later developed, of the arts and entertainment industry.

### 1.0 APPOINTMENT

The Artist appoints the Manager as his exclusive personal manager throughout the world in all fields related to the arts and entertainment industry. The Manager will offer the artist advice and counsel and will use his best efforts to advance the Artist's career.

The Manager accepts the appointment as set forth here and agrees that, in fulfilling the appointment, he will 1) make himself available to the artist at reasonable times and places; 2) devote his best efforts to the artist's affairs; 3) maintain an office and staff adequate to fulfill the appointment and his responsibilities thereunder.

1.1 EXCLUSIVITY - the Artist appoints the Manager as his exclusive personal manager and will engage no other personal manager during the term of this agreement. The Manager's services to the Artist are non-exclusive; he may manage other artists concurrently and carry on other business activities, at his sole discretion.

1.2 BUSINESS MANAGEMENT - The Manager shall be in charge of the Artist's business affairs personally or, with the consent of the Artist, engage a Third Party as business manager.

1.3 REPRESENTATION - The Manager shall represent the Artist's best interests with Third Parties and supervise agreements with them.

## 2.0 EMPLOYMENT

The procurement of employment, or the attempt to procure employment for the Artist is not an obligation, and the Manager is not authorized, licensed, or expected to perform such services. But the Manager recognizes that the obtaining of employment is of the essence in advancing the Artist's career, and that the Manager shall, after consultation with the Artist, engage, direct and/or discharge such persons as talent agents, employment agents as well as other persons and firms who may be retained for the purpose of securing engagement contracts for the Artist.

## 3.0 ASSIGNMENT

The Manager is the key man in this agreement and is denied the option to assign this agreement to a Third Party without the prior written consent of the Artist. Any Third Party under consideration in this context shall agree to assume all the responsibilities assigned to the first Manager and be fully qualified, in the opinion of the Artist, to perform in a manner and at a level comparable to the first Manager.

## 4.0 TERM, TERMINATION

The term of the Agreement shall be for two years, provided the parties satisfactorily fulfill their mutual obligations. If either party has substantial cause to claim the other party has failed to perform under this Agreement, the claimant must send a written notice by registered mail, return receipt requested, citing specific reasons for the complaint, allowing the recipient of the notice 30 days to cure and reasonably satisfy the complaint. If the aggrieved party does not receive a response that is reasonably satisfactory to the claimant, the claimant may then terminate this Agreement by sending written notice ten days in advance to the other party.

4.1 OPTIONS - The Artist grants the Manager options to extend the initial term of this Agreement to a maximum aggregate total of seven years. Provided the Artist's grossed income from the entertainment industry during the preceding year(s) increases at least 10% each year.

## 5.0 POWER OF ATTORNEY

The Artist agrees the Manager may require limited power of attorney from time to time for his convenience. Accordingly, the Artist grants limited power of attorney to the Manager to serve as the Artist's agent and attorney-in-fact in emergency situations only and denies the Manager this power without the prior written consent of the Artist 1) to accept any performing engagement on behalf of the Artist exceeding one week in duration; 2) to sign checks drawn on the Artist-Manager's trust account with a face value greater than \$1,000 and an aggregate monthly amount in excess of \$5,000 for all such draws; 3) to sign any agreement of behalf of the Artist that is of more than incidental importance or having a term longer than one month; 4) to engage or discharge support personnel; 5) to accept on Artist's behalf any product or service endorsement; 6) to limit the Artist's creative control over such matters as the selection of musical and literary material; determination of the manner and style of performance including staging and costuming.

The Artist may terminate this power of attorney at any time, without notice, in the event that the Manager misuses, in the sole opinion of the Artist, this power.

## 6.0 ARTIST'S RESPONSIBILITIES, WARRANTIES

6.1 ENCUMBRANCE - The Artist warrants that he is under no restriction, disability or prohibition in respect to the Artist's right to execute this Agreement and perform its terms and conditions. The Artist warrants that no act or omission by the Artist will violate, to the best of his knowledge, any right or interest of any person or firm or will subject the Manager to any liability or claim to any person.

6.2 COMMITMENT - The Artist will devote his full time and attention to the advancement of his career.

6.3 OWNERSHIP - The Artist warrants that, to the best of his knowledge, he is the sole owner of his professional name, MARK LUKE DANIELS and that this warranty is restricted to adjudicated breach.

6.4 ADVICE - The Artist will accept in good faith the advice and counsel of the Manager, in recognition of the Manager's special knowledge and experience in the entertainment industry.

6.5 INCOME - The Artist shall encourage all agents and employers to make payments of all monies due the Artist to the Manager, or to a Third Party approved by the Artist and Manager.

6.6 EMPLOYMENT - The Artist shall consult with the Manager regarding all major offers of employment.

## 7.0 MANAGER'S COMPENSATION

The Artist shall pay the Manager 15% of the Artist's gross income for the term of this contract. Gross income shall include, without limitation, all fees, earnings, salaries, royalties, bonuses, shares of profit, stock, partnership interests, percentages, gifts of value, received directly or indirectly, by the Artist or his heirs, executors, administrators or assigns, or by any other person, corporation or firm on the Artist's behalf, from the arts and entertainment industry.

## 8.0 COMMISSION BASE

The foregoing definition of the Artist's "gross income" notwithstanding, the following types of income shall be deducted from the gross income for purposes of calculating the Manager's commission: 1) record production expense where a Third Party provides same to the Artist; 2) record producer's fees, points and percentages where a Third Party pays the Artist for same; 3) performance, production and travel expense including salaries of support personnel connected thereto where a Third Party pays the Artist for same; 4) legal fees incurred by the artist in dealings with the Manager and Third Parties in the negotiation and performance of agreements; 5) passive income - where the Artist's money or other things of value from sources outside the entertainment industry or the Artist's income from investments inside or outside the entertainment industry.

In any circumstances where the Manager has a financial interest with a Third Party or company with whom the Artist has any kind of business relationship, the Manager shall receive no commissions on any monies the artist receives from these sources.

When this agreement and all extensions thereof terminate, the Artist shall pay the Manager 100% of his commissions for a period of one year from all income generated by contracts and agreements set up by the Manager during the term of the agreement. For the following six months, the Managers commission is limited to 50% of the Artist's commissionable income. For the subsequent six months, the Manager's commission is limited to 25% of the Artist's commissionable income. Thereafter, all Manager's commissions on the Artist's commissionable income cease.

## 9.0 FINANCIAL ACCOUNTING

Within thirty(30) days following the execution of this agreement the parties shall select, by mutual consent, a certified public accountant to provide accounting services.

9.1 RECORDS - The parties exchange informal financial records of all monies flowing through their hands that relate to this agreement. The Manager's financial records shall account for all receipts, disbursements, commissions withheld, advances, loans and investments, if any. Copies of the parties financial reports shall be forwarded monthly to the accountant.

9.2 AUDITS - The Manager shall commission independent auditors, with the consent of the Artist, to conduct periodic audits of the Artist's publisher and record company to determine if these firms are fully paying royalties due the Artist and paying in a timely manner.

9.3 LIMITATIONS - The Manager may not incur any expense on behalf of the Artist in an amount larger than \$ 1,000 for any one expense, without the consent of the Artist. The Manager may not incur monthly expenses on behalf of the Artist that exceed \$ 5,000 without the consent of the Artist.

9.4 LOANS - The Manager is not expected or required to make loans to the Artist or advance the Artist money. The Manager shall not make loans to any other person or invest the Artist's money without the prior consent of the Artist.

If the Artist asks the Manager to loan him money, and if the Manager voluntarily agrees to do so, the Manager shall be entitled to recover when due such loan money together with reasonable interest. If such repayments to the Manager are not made when due, the Manager may recover the amount outstanding from the Artist's current earnings from the entertainment industry.

9.5 OVERHEAD - The Manager's office overhead is not recoupable from the Artist, nor the Manager's travel expense within a 50 mile radius of his office. The Artist shall pay the Manager's travel expense outside this radius when the Manager is requested by the Artist to travel.

9.6 LIABILITY - Neither party is liable to the other for debts and obligations they may incur that are not covered by the Agreement.

## 10.0 GENERAL ISSUES

The present Agreement constitutes the entire understanding between the parties, and no other agreement or commitment, oral or written, prevails between the parties, and neither party may change or modify any part of the present Agreement without the prior written consent of the other party.

If one or parts of this agreement is found to be illegal or unenforceable, for any reason or by any person, the same shall not affect the validity or enforceability of the remaining provisions of this Agreement.

10.1 If the Artist incorporates, he agrees to cause said corporation to sign an agreement with the Manager which provides no less favorable terms than the first agreement.

10.2 DEFAULT AND CURE - If either party claims that the other is in default or breach of this agreement, the aggrieved party shall provide written notice setting forth the nature of the dispute. The accused party is then allowed thirty days to cure the alleged default, during which period no default or other grievances shall be deemed incurable.

10.3 ARBITRATION - The parties agree to submit all disputes to the American Arbitration Association and be bound by and perform any award rendered in such arbitration.

10.4 This agreement is made under the laws of the state of Texas.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first indicated above.

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Artist - MARK LUKE DANIELS

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Personal Manager - CHRIS THEOPHILUS

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Personal Manager - MARTIN THEOPHILUS