

Ultraprime

Suite 327,
Southbank House,
Black Prince Rd.,
London, SE1 7SJ.

TEL: 01.735.8171 Ext. 9
01.793.0405

Derek Taylor,
3, St. John's Rd.,
St. Leonards-on-Sea,
TN37 6HP.

26th July 1988.

Dear Derek,

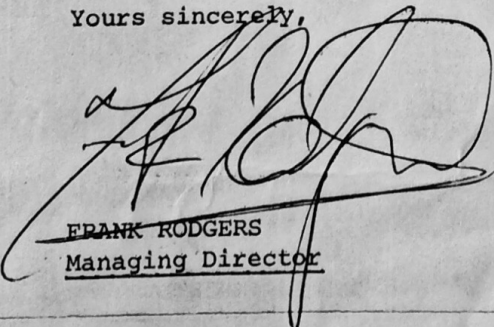
RE: "SPACE MUSIC", "MOTHER MATRIX"
"MOON MAGIC"

Pursuant to our discussions regarding Phil Thornton's music as identified above, I have established with Phil that the music was commissioned. I know it is your wish to formalise our position and we wish to establish that commissioning music does not in any way affect the copyright ownership. The copyright of the music is held by Phil and his publishers.

However, we do not wish to obstruct the release on cassette through your various outlets and we will grant a licence for a 3 year period to manufacture and release the above pieces of music. The royalty to be paid to Phil will be 5% of the retail price. I am not happy about this royalty as the minimum royalty that Phil has always received has been 10% but in this particular case he has accepted the royalty offered. The licence can be extended for further periods through mutual negotiations at the end of the first term.

If you are in agreement with the above, please confirm in writing along with the retail price at which the cassettes will be sold and we will issue a licence Agreement.

Yours sincerely,


FRANK RODGERS
Managing Director

c.c. Phil Thornton.

ULTRAPRIME ENTERTAINMENT bvba

Centre Rogier - Passage International 6 - Hermes 1303-1305 - Box 224 - Place Rogier - 1210 Brussels - Belgium
Tel. 02/218 06 60 - Tlx. 63237 deubur b - Fax. 02/479 21 01

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