



PRODUCTION

Bruce Scafe, Executive Producer - Video
"Best of Texas Series"

Gary DeVries, Chief Cameraman

Renee Simmons, Photography

Dennis Parker, Graphics and Design

PUBLIC RELATIONS/DIRECT MARKETING

Dennis Rowland, Public Relations and Direct
Marketing c/o Executive Marketing Services
Austin, Texas

Dan Love, Media Marketing Representative
"Best of Texas Series"
c/o Trion, Inc.
Austin, Texas

LEGAL/FINANCIAL

John S. Avery, Corporate Attorney
c/o Clark, Thomas, Winters & Shapiro
Austin, Texas

Michael Markley, Attorney at Law
Artist and Management Contracts Austin, Texas

Stephen G. Lane, Assistant Vice President
National Bank of Texas Austin, Texas

NEW GENERATION PRODUCTIONS, INC.

AUSTIN, TEXAS

ISSUED JULY 1, 1980

INFORMATION FOR PROSPECTIVE FRANCHISEES

REQUIRED BY

FEDERAL TRADE COMMISSION

* * * * *

To protect you, we've required your franchisor to give you this information. WE HAVEN'T CHECKED IT, AND DON'T KNOW IF IT'S CORRECT. It should help you make up your mind. Study it carefully. While it includes some information about your contract, don't rely on it alone to understand your contract. Read all of your contract carefully. Buying a franchise is a complicated investment. Take your time to decide. If possible, show your contract and this information to an advisor, like a lawyer or an accountant. If you find anything you think may be wrong or anything important that's been left out, you should let us know about it. It may be against the law.

There may also be laws on franchising in your state. Ask your state agencies about them.

FEDERAL TRADE COMMISSION,
Washington, D.C.

NEW GENERATION PRODUCTIONS, INC.

FRANCHISE DISCLOSURE

1.(i) The official corporate name is New Generation Productions, Inc., (hereinafter referred to as NGP), located at P.O. Box 4870, Austin, Texas, 78765.

(ii) New Generation Productions is the name under which NGP will conduct business.

(iii) The following trade marks and trade names will be used by NGP: (Logo)
"Recorded Music and Pro-
duction in America",
Austin) "Record Series",
Texas) "Record Series",
ies", "Best of Texas
of U.S. Video Series".



"Best of (Your City)(i.e.
"Best of (Your State)(i.e.
"Best of U.S. Record Ser-
Video Series", and "Best

2. The following is a list of the Board of Directors and Executive Officers of NGP and their business experience for the past five years.

H. Leonard Clark, Jr. - President, Chief Executive Officer, Board Chairman. Following eight years in the U.S. Air Force, Mr. Clark formed his own music production company called TEX EXPRESS UNLIMITED. From 1975 to 1979, he was employed by the J.C. Penney Insurance Company as an Associate Manager and in October of 1979, he purchased 100% of the stock of Land Voice Studios recording franchise company in Wilmington, Delaware. He moved the company to Austin, Texas and created New Generation Productions, Inc.

Martin Theophilus - Vice President/Management. Mr. Theophilus has been employed by the Texas Department of Human Resources for the past twelve years. His principal duties have included supervision, management, training and Audio/Video production. Mr. Theophilus has owned and operated his own on-location recording business (Highland Sound Co.) for the past fifteen years. He has also published two guides for recording (one audio and one video) which have sold nationwide.

Cheryl Theophilus - Vice President/Management/Treasurer. Mrs. Theophilus has been employed by the Texas Department of Human Resources for the past seven years as a social worker. She is also a co-owner of Highland Sound Co. and is the company's First Engineer.

Peter Butcher - Vice President - Executive Producer. Mr. Butcher is from England originally and has toured Europe and the U.S. extensively as a musician. He has twenty years experience in the music industry. From 1975 to 1977, Mr. Butcher was an Independent Producer in West Germany working primarily with Hansa, CBS and Warner Bros. In 1978 he moved to Austin, Texas. He established his own music company, known as Music Etcetera, and his own record label, Bag of Wax.

Harvey Campi - Vice President - Franchise Public Relations - Director. Mr. Campi has been employed as Sales Manager for the Horseshoe Bay Corporation for the past eight years. He is also an artist in his own right, having recorded material in Nashville and performed live extensively.

Robert C. Kothlow - CPA/Financial Management - Director. Mr. Kothlow was employed by the Martin Marietta Aluminum Company of Owensboro, Kentucky from 1972 to 1979 as the Company's Comptroller. From 1979 to the present, Mr. Kothlow has been self-employed as a Certified Public Accountant in Austin, Texas.

Kathy "Kansas" Anderson - Vice President - Executive Director - Administration - Board Secretary. Ms. Anderson has been a legal secretary for the past five years, the last two years of which she worked as Administrative Assistant to the Executive Director of a small agency of the State of Texas. Ms. Anderson's experience in the legal field has included corporate, banking, real property, family, insurance, and enforcement of State laws as required by her position with the State agency.

3. NGP was formed as a Texas Corporation on May 12, 1980, (i) and has conducted a business of the type to be operated by the franchisee since that date. (ii & iii) NGP has also offered to sell and has sold the NGP franchise since May 12, 1980 using the names and logos mentioned in #1(iii) of this document. (iv) NGP has not offered for sale or sold franchises in any lines of business, other than the recorded music and production described in this document.

4. In reference to the persons listed in paragraphs (2) and (3) of this section, no person has (i) at any time during the previous seven fiscal years, been convicted of a felony or pleaded nolo contendere to a felony charge involving fraud, (including violation of any franchise law, or unfair or deceptive practices law) embezzlement, fraudulent conversion, misappropriation of property, or restraint of trade;

(ii) Nor have any of these persons during the previous seven years, been held liable in a civil action resulting in a final judgement or has settled out of court any civil action or

16. As New Generation Productions, Inc. was formed as a Texas Corporation on May 12, 1980, NGP has no statistics regarding the prior fiscal year.

(i), (ii) As of July 1, 1980, NGP has three franchises in place and one under contract negotiations.

(iii) 1. Austin, Texas, P.O. Box 4870, 78765 - NGP's home office;

2. Dallas/Ft. Worth, Texas. Owner - Stephen George, P.O. Box 64952, Dallas, Texas 75206, 214/526-4505

3. San Antonio, Texas. Owner - Rolland Thompson, 1414 Arena #102, Austin, Texas, 512/443-7201.

4. Within four (4) months to include the marketing areas of:

- a. Waco, Temple, Killeen
- b. Abilene
- c. San Angelo
- d. Midland, Odessa, Big Springs
- e. El Paso
- f. Lubbock
- g. Amarillo
- h. Wichita Falls
- i. Denison, Sherman, Denton
- j. Texarkana
- k. Tyler, Longview
- l. Houston
- m. Beaumont, Port Arthur
- n. Galveston
- o. Corpus Christi
- p. Laredo
- q. McAllen, Harlingen

(iv), (v), (vi), (vii), (viii)

No Franchises have been terminated, refused renewal, or cancelled.

17.(i) NGP requires no site approval nor;
(ii) provides any franchise outlet sites.

18. NGP will provide training materials that will instruct the Franchisee on how to set up his or her franchise, how to identify and promote local groups and the NGP record production business.

(i) Besides the materials mentioned above, NGP will invite each Franchisee to a minimum of two (2) seminars per year to be held at the NGP headquarters in Austin, Texas, or other locations.

(ii) The minimum amount of training will consist of consultation with NGP headquarters staff regarding the day to day operation of the NGP franchise.

(iii) The costs to be borne by the Franchisee for training would include only the (optional) travel expenses to Austin, Texas for the seminars.



NEW GENERATION PRODUCTIONS, INC.
AUSTIN, TEXAS

EXCLUSIVE FRANCHISE AGREEMENT

TO: _____ (Herein "Franchisee")

FROM: New Generation Productions, Inc. (Herein "Company")

In connection with your purchase from the Company, equipment (Separate Bill of Sale), supplies and services. The Company received payment by you of the total sum of \$_____ payment on the date hereof. Company grants you herewith an exclusive franchise for the geographical area known as _____ in the state of _____ in the strict accordance with the following terms and conditions.

(1) Franchisee agrees to:

- (A) This agreement shall run for a period of three (3) years and shall be automatically renewable for a like period unless a default occurs and is not rectified within thirty (30) days of notice.
- (B) Franchisee may not transfer or assign this agreement or any part thereof, or any rights or obligations thereunder, without the prior written approval of New Generation Productions, Inc.
- (C) This agreement does not in any respect allow Franchisee to be an agent for, transact any business for, or incur any obligation or liability for or against the Company's home office in Austin, Texas. The Franchisee is permitted to utilize logos, titles and names associated with New Generation Productions, Inc.
- (D) That Franchisee will exclusively utilize the Company's record production and record pressings services.
- (E) That the Company shall act as "co-publisher" with Franchisee. New Generation Publishing Company - BMI.
- (F) The Company will be the "Demo-Placement" agent for all the Franchisee's artist(s) in the Franchisee's territory.
- (G) All shipping and freight charges for record pressings and any equipment purchases shall be paid by Franchisee.
- (H) Maintenance and repair of equipment will be the responsibility of Franchisee.
- (I) The Company has the sole authority to reject submitted tapes which are of poor technical recording quality. (According to the discretion of the Company's "Review Panel".) Rejected tapes will be replaced with new tapes supplied by Company without charge.

- (J) Franchisee agrees to participate in the Company's "Best of (Your) City Record Series", "Best of (Your) State Record Series", and the "Best of (U.S.) Record Series".
- (K) Franchisee will distribute records, promote artist(s), and collect royalties for all the Company's artist(s)/Groups in their territory. Royalties will be forwarded to Franchisee Headquarters in Austin, Texas.
- (L) Groups/Artist(s) from the Franchisee territory that the Company places with a producer, production or major record company, the Franchisee and Company will share equally (50% Franchisee and 50% NGP, Parent Co.) all compensations, royalties, etc.

NOTE: Failure to comply with terms in paragraphs 1a,b,c,d,e,f,j,and k may without further notice terminate the exclusive nature of this Franchise Contract for the area described.

(2) Company agrees to

- (A) Accept \$ _____ as full payment for the equipment and accessories (attached Bill of Sale) and provide other supplies and services described herein.
- (B) Provide Franchisee with a marketing, distribution, and promotion plan "Best of (Your City), (Your State),(U.S.) Record Series".
- (C) Supply professional consultation concerning the Company's production, promotion, and technical procedures of the Franchise; Artist(s) production/promotion/publishing and recording contracts will be provided by the Company.
- (D) Upon requisition of Franchisees initial Artist(s) Recording Contract a credit of \$300 will be awarded to the Franchisee as advertising allowance announcing "Best of (Your City) Record Series".
- (E) Quarterly newsletters will be forwarded to Franchisee concerning information on other Franchisees, plus recording and engineering procedures, new marketing techniques and equipment repair and maintenance recommendations.
- (F) National advertising and referral service will be provided by Company; all inquiries (Leads) will be forwarded to Franchisee.
- (G) Act as equipment purchase broker at the option of the Franchisee.
- (H) Provide Franchisee with an inventory of supplies described in attachment (A). Maintain accounting of royalties for Franchisee.

- (I) Furnish Franchisee with complete and quality "Record Production Services" • editing • mastering • plating • test pressings • record pressing • custom "Best of (Your City) Record Series" jackets • artwork • printing • Record Distribution to other Company Franchise markets.
- (J) Accept \$ _____ as full payment for equipment and accessories described in Bill of Sale and Franchisee shall have full ownership of the title thereto notwithstanding any other provisions herein.
- (K) No change in, addition to, or erasure of, any printed portion of this agreement (except the filling of specific blank spaces and lines) shall be valid or binding upon either party hereto, and no verbal agreements of any nature relating to the subject matter of the agreement or to any relationship between the parties, will be considered valid or enforceable.
- (L) If the foregoing correctly states the terms of our understanding please so indicate in the space provided below.

New Generation Production, Inc.

BY: _____

TITLE: _____

ACCEPTED BY:

FRANCHISE: _____

DATED: _____ 1980 , at _____

RESUME

J. Bruce Scafe
1120-A Gillespie Place
Austin, Texas 78704
(512) 443-2664

J. Bruce Scafe
Media Services Division
Texas Department of Human Resources
P. O. Box 2960
Austin, Texas
(512) 441-3355, ext. 6070

Birth date: Aurora, Illinois; September 11, 1942

Current

Director, Educational Media Productions,
Texas Department of Human Resources, Austin, Texas

1974-1977

Producer/Director, KLRN-TV (PBS)
Austin, Texas

1973-1974

Crew Chief/Cameraman, WFAA-TV (ABC)
Dallas, Texas

1970-1973

Producer/Director, WSIU-TV (PBS)
Southern Illinois University
Carbondale, Illinois

1968-1970

Television Producer/Director, Evanston
Township High School, Evanston, Illinois

1966-1968

Director of Instrumental Music in two
Illinois public school systems

1964-1965

Musician with the Les and Larry Elgart Orchestra

NEW GENERATION PRODUCTIONS, INC.
CONCEPTUAL OUTLINE

The Management of New Generation Productions, Inc., is in the process of establishing a nation-wide network of franchised "professional recording studios and entertainment production businesses". The franchises will be owned and operated by independent business proprietors.

It is NGP's goal to provide musicians across our country with a comprehensive range of services previously not available from one source. These services are targeted at local groups who are striving to survive in a very competitive market. These services include the following:

- Audio and Video Recording Services

- Record Production

- Record Distribution

- Promotion

- Management

- Booking

- Artist Placement - U.S. and foreign markets

- Talent and Music Consultation

NGP believes that by (1) identifying those persons in local communities who are operating or wish to establish their own recording business, (2) linking them with individuals who

NGP CONCEPTUAL OUTLINE CONTINUED

are involved in the local entertainment areas (booking, production, management, etc.) and then (3) franchising that operation, that NGP can assist local artists in seriously pursuing their goals. NGP will then provide special services and technical support as well as nationwide advertising, record promotion, and record distribution for the new and unknown artist.

Once the local franchise is in place, NGP intends to promote local musical groups of all varieties by profiling their music in NGP's "Best of (Your City) Record Series", i.e., "The Best of Austin Texas Record Series". This involves producing four of the artists' songs on a 7" 33 1/3 stereo, extended play (EP) record and distributing those records to the local NGP retail outlets by the franchise. The records will be placed in NGP's custom record jackets and displayed in NGP's custom record cases throughout the franchisee's marketing area. Quality control of this entire process will be handled by NGP's "Review Panel" in the National Franchise Headquarters in Austin, Texas.

If an individual artist or group does well in their local market, they will then be eligible for the "Best of (Your State) Record Series", and the "Best of the U.S. Record Series".

NEW GENERATION PRODUCTIONS

PRESENTS

"THE BEST OF TEXAS"

The staff of NGP is committed to offering the professional services necessary to enable musical artists to realize their goals. In keeping with this commitment, NGP is developing a video project, "The Best of Texas", that will provide nation-wide exposure for those groups who qualify through the "Best of (Your State) Record Series".

This video project includes the identification of sponsors, the selection of the artists who will perform, the professional video production (to be handled by NGP's own Video Division), and distribution throughout the country utilizing the various "TV cable systems".

NGP's "The Best of Texas" video production will be taped in the historic Paramount Theatre in downtown Austin, Texas. The theatre has undergone extensive restoration that will be completed in October of 1980. NGP is also considering asking national entertainment personalities from Texas, such as Mac Davis, to host these video productions.

The production will be video-taped over several consecutive days and then edited into ten or twelve individual thirty minute shows. These shows will then be aired over a period

"THE BEST OF TEXAS"
CONTINUED

of months. NGP will then select new talent and repeat the process.

It is New Generation Production's goal to actively seek out those local artists who have worked hard to find that "elusive audience" and give those artists the local and national support and recognition they deserve. In this way, the artist, using NGP services, would elevate their opportunities with the major record companies.

RECORDED MUSIC AND PRODUCTION IN AMERICA



THE
BEST OF

AUSTIN TEXAS

"The Best Of Texas Record Series"

Being Compiled
By

NEW GENERATION PRODUCTIONS

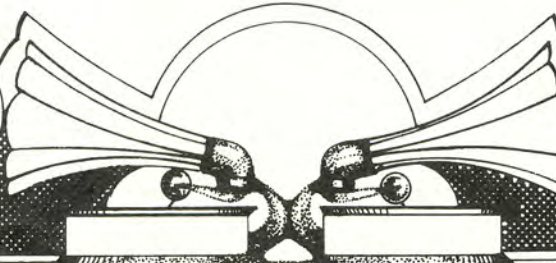
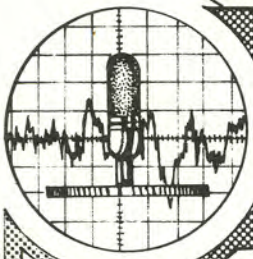
NGP will record, produce, press, promote,
and distribute your music.

Call (214) 526-4505 for complete information
on how you can participate in
"The Best of Texas"

New Generation Productions, Inc.
P.O. Box 64952
Dallas, Texas 75206

*** RECORDED MUSIC AND PRODUCTION IN AMERICA ***





NATIONAL FRANCHISE
HEADQUARTERS



NEW GENERATION PRODUCTIONS, INC.

RECORDED MUSIC AND PRODUCTION IN AMERICA

P.O. BOX 4870
AUSTIN, TEXAS 78765

(512) 458-1432

August 8, 1980

Mr. Gary Salter
Interglobal
2220 Midland Ave.
Unit 106
Scarborough, Ontario
Canada

Dear Mr. Salter:

Please find enclosed a cassette of samples of material and artists we are currently involved with. Perhaps you would be kind enough to consider the tape and its possibilities for release. We would appreciate a reply at your earliest convenience.

In the meantime, I remain;

Yours Sincerely,

Peter Butcher
Vice President/A & R

PB/klp
Enclosure

Tape Contents:

Roger Harcourt
Before My Eyes
Mystery
Rick West
Brothers
Mike Davis
Precious Love
The Desires
South American Blues
Shammy
How'd I Get Stuck

**"The Best Of San Antonio
Record Series"**

BEING COMPILED

BY

NEW GENERATION PRODUCTIONS

NGP will RECORD, PRODUCE, PRESS, PROMOTE,
and DISTRIBUTE your music . . .

Call (512) 458-1432 for complete
information on how you can participate
in "The Best of San Antonio"

NEW GENERATION PRODUCTIONS, INC.

4922 BURNET ROAD

AUSTIN, TEXAS 78756

* RECORDED MUSIC AND PRODUCTION IN AMERICA *

MINUTES OF THE ORGANIZATIONAL MEETING
OF THE BOARD OF DIRECTORS
OF
NEW GENERATION PRODUCTIONS, INC.

The organizational meeting of the Board of Directors of New Generation Productions, Inc. (the "Corporation") was held on June 20, 1980, at 4922 Burnet Road, Austin, Texas, at the call of the Directors of the Corporation named in the Articles of Incorporation.

The following persons, named in the Articles of Incorporation as Directors of the Corporation, were present and participated throughout the meeting:

Leonard Clark

Peter Butcher

Martin Theophilus

Cheryl Theophilus

Leonard Clark acted as Chairman of the meeting and Cheryl Theophilus acted as the Secretary of the meeting.

The Chairman called the meeting to order and announced that a quorum was present. The Chairman reported that the Articles of Incorporation of the Corporation were approved and filed in the office of the Secretary of State of the State of Texas on May 12, 1980, and the Chairman presented to the meeting the Certificate of Incorporation, together with the duly certified duplicate original of the Articles of Incorporation affixed

thereto. Upon motion duly made, seconded and unanimously adopted, the Articles of Incorporation were approved and were ordered to be filed in the Minute Book as part of the permanent records of the Corporation.

The Secretary presented to the meeting a proposed form of By-Laws for the regulation and management of the affairs of the Corporation, which By-Laws were reviewed by the Directors. Upon motion duly made, seconded and unanimously adopted, it was:

RESOLVED, that the By-Laws submitted to and reviewed by this meeting be and they are hereby adopted as the By-Laws of this Corporation.

The Secretary was instructed to place a copy of the By-Laws in the Minute Book as part of the permanent records of the Corporation.

The following persons were nominated to serve as officers of the Corporation to serve until their respective successors are chosen and qualify.

<u>Name</u>	<u>Office</u>
Leonard Clark	President
Martin Theophilus	Vice-President
Cheryl Theophilus	Secretary/Treasurer

All directors present having voted, the Chairman announced that the aforesaid persons had been unanimously elected to the offices set out after their respective names. Each newly elected

officer was present and accepted his office.

The Secretary presented to the meeting a form of stock certificate representing shares of the Common Stock of the Corporation, a form of corporate seal and a Minute Book of the Corporation. Upon motion duly made, seconded and unanimously adopted, it was:

RESOLVED, that the form of stock certificate representing shares of Common Stock of the Corporation presented to and reviewed this meeting be, and it is hereby approved and adopted and that the Secretary is instructed to insert a specimen thereof in the Minute Book; and

RESOLVED, that the seal, an impression of which is hereby affixed, is adopted as the corporate seal of the Corporation; and

RESOLVED, that the form of Minute Book presented to and reviewed by this meeting is approved and adopted and the Secretary is instructed to insert in it the minutes of this meeting and all other proceedings of the Board of Directors and shareholders.

The Chairman announced that the Corporation had received the following offers for shares of its Common Stock and presented to the meeting the following schedule setting forth such offers.

<u>Shares to be Registered in the Name of</u>	<u>Number Of Shares</u>	<u>Amount</u>	<u>Consideration Tendered Description</u>
Martin Theophilus	175	\$ 500	Cash
Cheryl Theophilus	175	\$ 500	Cash
Leonard Clark	350	\$1,000	Services Previously Perform
Peter Butcher	100	\$ 300	Services Previously Perform
Harvey Campi	67	\$6,700	Cash
Robert C. Kothlow	67	\$6,700	Cash
Kathy Anderson	10	\$1,000	Cash

Upon motion duly made, seconded and unanimously adopted,
it was:

RESOLVED, that the Corporation issue shares of its Common Stock for the consideration described in the above schedule, consisting of money paid, labor done or property actually received and valued in the judgment of the Directors in accordance with the above schedule.

The Chairman stated that Martin and Cheryl Theophilus had offered to loan to the Corporation \$2,000 in cash on a 6-month term note, with interest at 10 percent per annum.

Upon motion duly made, seconded and unanimously adopted,
it was:

RESOLVED, that the Corporation borrow the sum of \$2,000 from Martin and Cheryl Theophilus, for a term of six months, and that the President be and is hereby authorized to execute a note to that effect and any renewals thereof.

Payment of the consideration was then made and accepted and the share certificates were executed, delivered and accepted.

The Chairman stated that the payment of the foregoing consideration for shares of Common Stock of the Corporation constituted a payment of at least the amount of capital required in the Articles of Incorporation for the commencement of business.

The Chairman stated that it was necessary for the Directors to designate the bank or banks in which the Corporation's funds should be deposited and, further, to designate the persons having authority to sign checks and drafts and otherwise act in connection with such bank accounts. Upon motion duly made,

seconded, and unanimously carried, the following resolutions were adopted:

RESOLVED, that the President and the Secretary are authorized and directed to open an account or accounts in the name of the Corporation with National Bank of Texas, Austin, Texas;

RESOLVED, FURTHER, that the proper officers of the Corporation are authorized and directed to execute such signature cards and other documents in connection with such account as may be necessary or advisable, and to certify to the adoption of the resolutions attached hereto relating to such account, such resolutions being hereby adopted.

Upon motion duly made, seconded and unanimously adopted, it was:

RESOLVED that the fiscal year of the Corporation shall end on December 31, of each calendar year.

The Chairman presented to the meeting statements of expenses and charges incurred in the organization of the Corporation. Upon motion duly made, seconded and unanimously adopted, it was:

RESOLVED, that the organization expenses and charges presented to and reviewed by this meeting be paid by the Treasurer from the funds of the Corporation.

There being no further business, upon motion duly made and unanimously adopted, the meeting was adjourned.

DATED as of the 20th of June, 1980.


Secretary of the Meeting



NEW GENERATION PRODUCTIONS, INC.

AUSTIN, TEXAS

RECORDING AGREEMENT

This is an agreement between New Generation Productions, Inc., hereafter referred to as NGP, and _____ hereafter referred to as Artist. Artist wishes to purchase specific services and goods from NGP according to the specific terms set forth below:

1. For a total price of _____ Artist will receive _____ copies of a phonorecord, produced by NGP. Each phonorecord will be complete with distinctive cover art, dust jacket and shrinkfilm covering the outside cover sleeve. NGP also agrees to distribute this phonorecord in these specific markets:

2. The above fee is to be paid in full or in installments set forth as follows:

3. NGP will also pay a royalty of _____ for each phonorecord sold to the public, through legitimate retail stores, to Artist or his representative, as designated herein. Artist agrees that proof of this payment will be conclusive, if NGP exhibits its cancelled check with either Artist or his designated representative as payee.

Since Artist must pay in advance for all complete phonorecords, total liability for royalty payments cannot exceed the number of purchased phonorecords times _____, unless modified by attachments to this basic agreement.

A sales audit of all racks carrying the phonorecord will be made weekly, and a determination of royalties will be made once a month and payment will be forth coming to the Artist or his designee within 7 working days thereafter. NGP agrees to furnish rack space for a maximum of six (6) months for each phonorecord. Should a phonorecord's per unit sales decline for four weeks in a row, to a level such that it has the lowest per unit sales of all the phonorecords in all the NGP racks, it may be removed by NGP, and the phonorecords so removed will be returned to Artist. Artist understands that the demand of the public, not the aesthetic taste of NGP will be the sole factor in a phonorecord remaining available to the public on NGP's racks.

Conversely, if a phonorecord outsells its initial pressing, and if demand remains high for the phonorecord, NGP, may at its option and expense, make available extra copies of this phonorecord. If NGP so elects, a royalty of _____ will be payable to the Artist. Any unsold phonorecords produced at NGP's expense become the sole property of NGP.

4. It is expressly understood that NGP will have the sole and exclusive rights to all master tapes originating through NGP or being pressed and distributed by NGP. This sole and exclusive right will remain with NGP for a period of one year. This year is to commence on the date of signing this agreement. In the event that the presentation of such master tapes to a major record company either in the United States or any foreign territory brings forth interest in a licensing agreement of such master tapes NGP will, if so required, conduct all necessary legal documents to facilitate and bring to a successful conclusion any such licensing agreement. The proceeds of any such licensing will be shared as hereunder described, for the duration of any such licensing agreement including its extensions and renewals.

The Company and the Artist agree to allocate up to 40% (forty) of advances towards recording cost. The Company will participate to a maximum of 50% (fifty) of this 40% (forty). Should the recording costs exceed 40% (forty) of the advance the Artist agrees to accept the responsibility of the balance. The Company and the Artist agree to allocate 30% (thirty) to promotion of the Artist. The remaining 30% (thirty) is to be shared equally by way of a cash advance. Royalties will be shared equally. Publishing will be considered to be the subject of a separate agreement but at no less favorable terms than _____% of the publishing to the Company.

5. NGP has the right to assign in whole or in part, this agreement.

6. This agreement sets forth the entire agreement between the Artist and NGP. Artist or his designee, is urged to read each and every paragraph to assure his understanding.

7. The tentative date, time and location of the recording of Artist's performance is:

8. This agreement is deemed to have been made in Texas, and its validity, construction, performance and breach shall be governed by the laws of the State of Texas.

9. Any mailings of royalty statements, payments or notices required by this agreement or by good business judgements shall be deemed to have been made when addressed to Artist's or his designee's address at the end of this agreement. Artist agrees to promptly inform NGP of any address changes.

10. NGP agrees to provide Artist with special services as described below:

Tentative date of record release _____.

11. No change in, addition to, or erasure of, any printed portion of this agreement (except in filling of specific blank spaces and lines) shall be valid or binding upon either party hereto, and no verbal agreements of any nature relating to the subject matter of the agreement or to any relationship between the parties, will be considered valid or enforceable.

12. If the foregoing correctly states the terms of our understanding, please so indicate in the space provided below.

ARTIST

For New Generation Productions, Inc.

STREET

DATE _____

CITY STATE

DESIGNEE/AGENT

STREET

CITY STATE

P24 0891565

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO		MR. H. LEONARD CLARK	
STREET AND NO.		NEW GENERATION PRO	
1436 RIDGE CIRCLE			
P.O., STATE AND ZIP CODE		AUSTIN TX 78746	
POSTAGE		\$ 15	
CONSULT POSTMASTER FOR FEES	CERTIFIED FEE	\$ 80	
	SPECIAL DELIVERY	¢	
	RESTRICTED DELIVERY	¢	
	OPTIONAL SERVICES		
	RETURN RECEIPT SERVICE	45 ¢	
	SHOW TO WHOM AND DATE DELIVERED	¢	
	SHOW TO WHOM, DATE, AND ADDRESS OF DELIVERY	¢	
SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY	¢		
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY	¢		
TOTAL POSTAGE AND FEES		\$	
POSTMARK OR DATE		JAN 12 1981	

PS Form 3800, Apr. 1976

by the State Bar of Texas for use by Lawyers only. Reviewed 1-1-76.
the proper form, fill in blank spaces, strike out form provisions or
special terms constitutes the practice of law. No "standard form" can
requirements.

PROMISSORY NOTE

Austin, Texas June 2, 1980

as principals, promise to pay to the order of
Martin and Cheryl Theophilus

Austin, Travis County, Texas, the sum of

THS ----- Dollars (\$2,000.00), in legal and lawful
with interest thereon from date hereof until maturity at the rate of
per cent (10%) per annum; the interest payable
; matured unpaid principal and interest shall bear interest at the rate of ten per
cent until paid.

Wit: on or before December 31, 1980.

It is expressly provided that upon default in the punctual payment of this note or any part thereof, principal or interest, as the same shall become due and payable, the entire indebtedness evidenced hereby shall be matured, at the option of the holder. In the event this Note, or any part hereof, is collected through Probate, Bankruptcy or other judicial proceedings by an attorney or is placed in the hands of an attorney for collection after maturity, then the undersigned agree and promise to pay a reasonable attorney's fee for collection, which in no event shall be less than ten per cent (10%) of the principal and interest then owing.

Each maker, surety and endorser of this Note expressly waives all notices, demands for payment, presentations for payment, notices of intention to accelerate the maturity, protest and notice of protest, as to this note and as to each, every and all installments hereof, and each consents that the payee or other holder of this Note may at any time, and from time to time, upon request of or by agreement with any of us, extend the date of maturity hereof or change the time or method of payments without notice to any of the other makers, sureties or endorsers, who shall remain bound for the payment hereof.

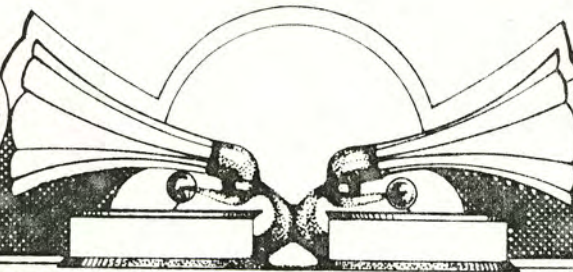
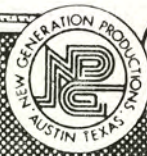
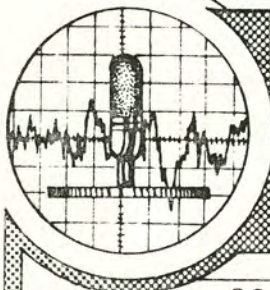
Address 4922 Burnet Road
Austin, Texas

NEW GENERATION PRODUCTIONS, INC.

BY: Leonard Clark, President

Cheryl & Martin Theophilus

Cheryl and Martin Theophilus
6002 Sun Vista
Austin, Texas 78749



NATIONAL FRANCHISE
HEADQUARTERS



P.O. BOX 4870
AUSTIN, TEXAS 78765

NEW GENERATION PRODUCTIONS, INC.
RECORDED MUSIC AND PRODUCTION IN AMERICA

(512) 458-1432

TO: New Generation Productions, Inc. Shareholders

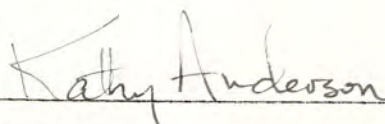
SUBJECT: NOTICE OF MEETING OF THE SHAREHOLDERS OF
NEW GENERATION PRODUCTIONS, INC.

I, Kathy Anderson, Secretary of New Generation Productions, Inc., at the requests in writing of a majority of the Board of Directors and the written requests of shareholders owning not less than 10% of all the voting shares, do hereby give notice of a Special Meeting of the New Generation Productions, Inc. shareholders to be held September 3, 1980 at 5:00 p.m. at 7617 Metro, Suite A, Austin, Texas.

The purpose of said meeting is to discuss and take action on the Unanimous Consent of Directors of New Generation Productions, Inc. pertaining to unanimous election and removal of officers and related amendments.

Further the purpose of the shareholders meeting shall be to carefully evaluate the present corporation officers and directors, and to take any action necessary to insure a sound management program for New Generation Productions, Inc., including, but not limited to, the removal and/or election of officers.

Dated 8-22-80


Kathy Anderson, Secretary

COMMERCIAL LEASE

This Lease is made and entered into by and between Roy T. Poole and New Generation Productions, Inc. hereinafter respectively referred to as Landlord and Tenant, without regard to number or gender.

W I T N E S S E T H:

ARTICLE ONE

Premises

The Landlord hereby leases to Tenant, and Tenant hereby hires from Landlord, a portion of the building located at 4922 Burnet Road, Austin, Travis County, Texas, otherwise described as Block 9, Lot 17, Rosedown Addition, City of Austin, together with furniture, fixtures, and equipment. The portion of the building comprising the demised premises, and the furniture and fixtures included in the property leased, are described in Exhibit "A", attached hereto and incorporated herein for all pertinent purposes. The premises may be used as offices for any lawful business, and for the operation of a recording studio and music production facility.

ARTICLE TWO

Terms

The term of this Lease shall be for a period of two (2) years, commencing on May 15, 1980.

ARTICLE THREE

Rental

Tenant covenants and agrees to pay to Landlord, at Landlord's office in Austin, Travis County, Texas, or at such other place as Landlord shall from time to time designate

in writing, rental for the demised premises of FOUR HUNDRED AND NO/100THS DOLLARS (\$400.00) per month for the term of this Lease, which rent shall be paid monthly in advance on the first day of each and every month during the term hereof. Said rental shall commence upon the commencement of the term of this Lease as set forth in Article Two hereof with proration of rentals for any partial calendar month of the term hereof. All rental to be paid by Tenant to Landlord shall be in lawful money of the United States of America and shall be paid without deduction or offset or prior notice or demand.

As additional consideration for the lease of the demised premises, Tenant shall pay to Landlord six percent (6%) of Tenants' gross receipts for the first year of this lease, then three percent (3%) of Tenant's gross receipts thereafter, for so long as Tenant shall retain its corporate existence. "Gross receipts" shall include all items of income, without regard for any expenses incurred by the Tenant, and shall be computed on the cash method of accounting. Amounts due under this article shall be computed for each calendar quarter, and paid to Landlord not later than the 1st day of month next following the end of each calendar quarter.

ARTICLE FOUR

Parking Facilities

Landlord covenants that a parking area shall be at all times available for the non-exclusive use of Tenant, its agents, employees, customers, and licensees in common

Agreement to Lease

Jerry D. Box, herein called Lessor, and NEW GENERATION PRODUCTIONS herein called Lessee, agree to execute a lease from Lessor to Lessee of the below described space in the office building at 602 W. 7th, Austin, Texas:

#106 (2 Rooms & Hall with 3 closets & bath)

The lease shall be for a term of 1 YEAR and shall commence on MAY 1, 1980. The monthly rental rate shall be \$ 299.00. BY MAY 9, 1980

~~Prior to occupancy of the space by Lessee,~~ Lessee shall pay to Lessor a security deposit of \$ 100.00, the first month's rent of \$ 299.00, and the last month's rent of \$ 299.00 (a total of \$ 698.00).

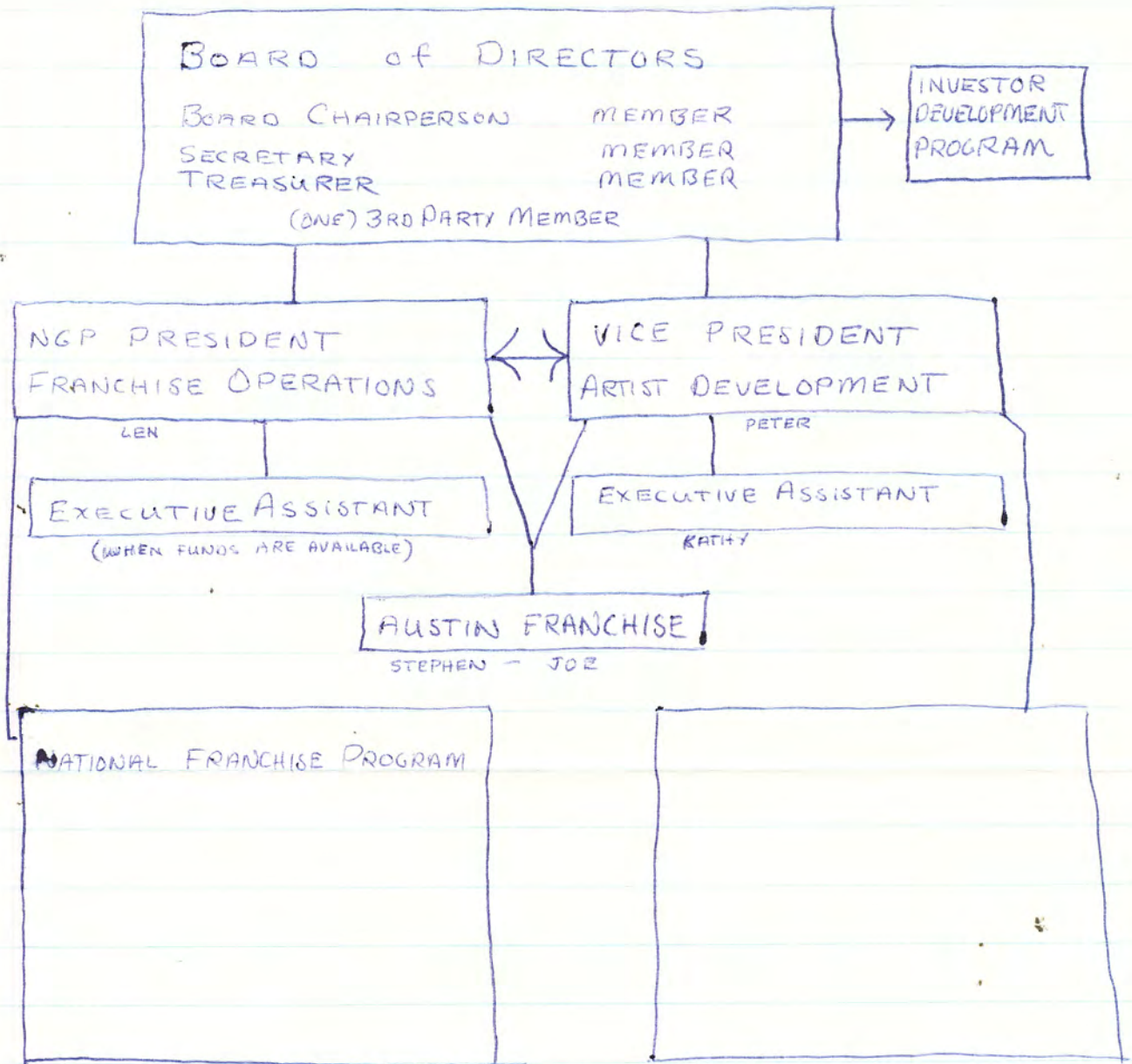
Lessor acknowledges the receipt of \$ 100.00 from Lessee, as a deposit towards the above total, paid at the time of the execution of this agreement.

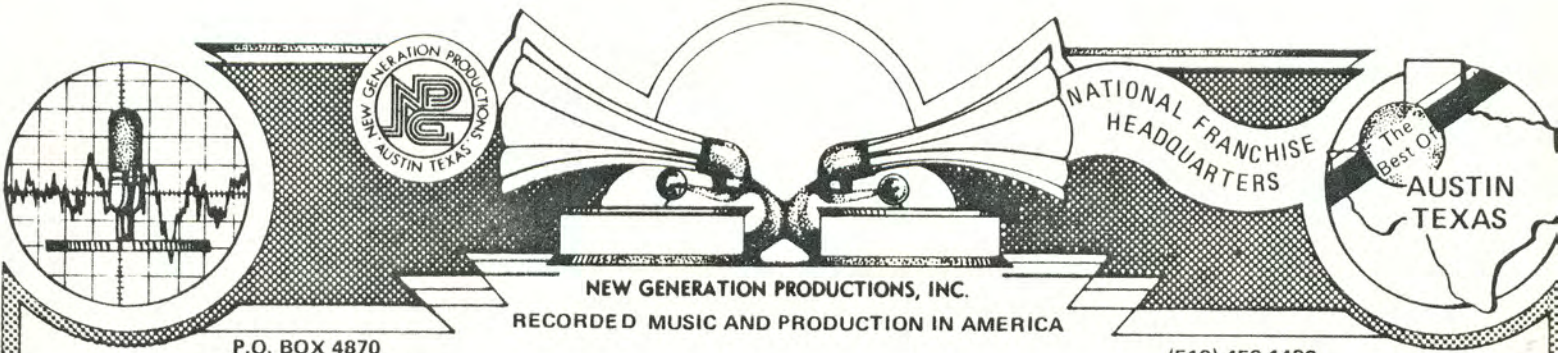
Dated this 30th day of APRIL, 1980.

Jerry D. Box
Jerry D. Box, Lessor

Martin Shephard
Lessee
Cheryl Shephard
Herman Clark

NEW GENERATION PRODUCTIONS, INC.





P.O. BOX 4870
AUSTIN, TEXAS 78765

NEW GENERATION PRODUCTIONS, INC.
RECORDED MUSIC AND PRODUCTION IN AMERICA

(512) 458-1432

TO: NGP Board of Directors

SUBJECT: NOTICE OF MEETING OF THE BOARD OF DIRECTORS OF
NEW GENERATION PRODUCTIONS, INC.

I, Martin Theophilus, Vice-President of New Generation Productions, Inc. do hereby give notice that I have called a meeting of the Board of Directors of the Corporation, to be held at 7617 Metro, Suite A, Austin, Texas on August 22, 1980 at 5:00 p.m. The purpose of said meeting is to discuss the management of NGP and any and all business that may come before the meeting.

Dated 8-19-80

Martin Theophilus

NEW GENERATION PRODUCTIONS, INC.
RECOMMENDATIONS by MARTIN THEOPHILUS
for

(A)

NGP BOARD of DIRECTORS MEETING
AUGUST 22, 1980 at 5:00PM

- I. A. NGP BOARD VOTES TO SEPERATE the OFFICES of
BOARD CHAIRPERSON and NGP PRESIDENT
B. NGP BOARD ELECTS a BOARD CHAIRPERSON,
C. NGP BOARD CHAIRPERSON OPENS NOMINATIONS for
BOARD SECRETARY and TREASURER or MOVES
TO RETAIN CURRENT PERSONS
D. BOARD DETERMINES officers of NGP, INC.

SPECIFIC

RECOMMENDATIONS

- LEN CLARK voluntarily resigns as Chairman of the BOARD, but retains rights as voting member of BOARD.
- LEN CLARK BE ELECTED PRESIDENT of NGP and be directly responsible to the BOARD and specifically responsible to the BOARD CHAIRPERSON.
- LEN CLARK continue to be paid \$500.00 per month less regular deductions.
- Len CLARK continue to be reimbursed for bonafied "business" expenses as follows:
 - A. ALL SUBMITTED EXPENSES MUST HAVE BEEN DIRECTLY related to the operation of NGP. NO ROUTINE PERSONAL EXPENSES WILL BE PAID.
 - B. THE BOARD WILL SET REASONABLE LIMITS on MEALS, LODGING, DRINKS, MILAGE, ETC.
 - C. PHONE EXPENSES MUST BE REASONABLE (i.e. use lowest AVAILABLE RATES)

II. NGP BOARD ESTABLISHES REASONABLE GUIDELINES (B)
FOR ALL MANAGEMENT POSITIONS.

III. ALL BOARD MEMBERS, CORPORATE OFFICERS and EMPLOYEES, MAINTAIN OPEN COMMUNICATIONS ON ALL ASPECTS OF THEIR NGP RESPONSIBILITIES.
(NO MORE "behind the scenes" meetings)

IV. ALL PERSONS WITH NGP FOLLOW the guidelines set forth by the BOARD regarding - CONTRACTS, PROGRAMS (FRANCHISE/ARTIST etc.) ADVERTISING, HIRING and FIRING, etc. If there is to be a shift in direction, pricing, or the committing of NGP services, THE BOARD must be informed of the circumstances and the BOARD has the final authority to OK the change.

V. ALL MAJOR CONTRACTS with ARTISTS, FRANCHISEES, PROVIDERS OF SERVICES, RECORD COMPANIES, etc, MUST CONTAIN the SIGNATURE OF the PRESIDENT and one other board member or corporate officer.



NEW GENERATION PRODUCTIONS, INC.
AUSTIN, TEXAS

EXCLUSIVE FRANCHISE AGREEMENT

TO: _____ (Herein "Franchisee")

FROM: New Generation Productions, Inc. (Herein "Company")

In connection with your purchase from the Company, equipment (Separate Bill of Sale), supplies and services. The Company received payment by you of the total sum of \$_____ payment on the date hereof. Company grants you herewith an exclusive franchise for the geographical area known as _____ in the state of _____ in the strict accordance with the following terms and conditions.

(1) Franchisee agrees to:

- (A) This agreement shall run for a period of three (3) years and shall be automatically renewable for a like period unless a default occurs and is not rectified within thirty (30) days of notice.
- (B) Franchisee may not transfer or assign this agreement or any part thereof, or any rights or obligations thereunder, without the prior written approval of New Generation Productions, Inc.
- (C) This agreement does not in any respect allow Franchisee to be an agent for, transact any business for, or incur any obligation or liability for or against the Company's home office in Austin, Texas. The Franchisee is permitted to utilize logos, titles and names associated with New Generation Productions, Inc.
- (D) That Franchisee will exclusively utilize the Company's record production and record pressings services.
- (E) That the Company shall act as "co-publisher" with Franchisee. New Generation Publishing Company - BMI.
- (F) The Company will be the "Demo-Placement" agent for all the Franchisee's artist(s) in the Franchisee's territory.
- (G) All shipping and freight charges for record pressings and any equipment purchases shall be paid by Franchisee.
- (H) Maintenance and repair of equipment will be the responsibility of Franchisee.
- (I) The Company has the sole authority to reject submitted tapes which are of poor technical recording quality. (According to the discretion of the Company's "Review Panel".) Rejected tapes will be replaced with new tapes supplied by Company without charge.