

FILM SYNCHRONIZATION AND PERFORMANCE LICENSE

Date: January 23, 2009

Licensor: WB MUSIC CORP.
c/o WARNER/CHAPPELL MUSIC, INC.
10585 Santa Monica Boulevard
Los Angeles, CA 90025-4950

Licensee: **NINA PALEY PRODUCTIONS, LLC**
81 BEDFORD ST. #4D
NEW YORK, NY 10014

Film: **SITA SINGS THE BLUES**

Composition: **AM I BLUE?**
By: **GRANT CLARKE AND HARRY AKST**

% Owned or Controlled By Licensor: **100%**

Attributable to: **NAMED WRITERS**

Publisher Credit
For Cue Sheet: **WB MUSIC CORP. (100%)**

Type and Duration of Use: **VIS/VOC (3:45)**

Territory: **The World**

1. Subject to the payment to Licensor of the fees required by paragraph 3, and to the delivery to Licensor of an accurate cue sheet for the Film on Licensee's customary form, Licensor hereby grants to Licensee, its successors and assigns the following non-exclusive, irrevocable and (subject to paragraph 5, below) perpetual rights with respect to that portion of the Composition indicated above as owned or controlled by Licensor:

(a) to record the Composition in synchronism or timed relation with the Film in any manner, medium, form or language, to make copies of such recordings, and to exploit the same in each country of the Territory in accordance with the terms, conditions and limitations contained in this license;

(b) to utilize the Composition as so recorded in in-context trailers, advertisements, teasers, "film clips" to be shown on "talk shows" and other promotions for the film **(including use on the internet or worldwide web ("Internet")); provided, that such use shall not include any download of a recording of the Composition & subject to the site having a valid U.S. performing rights license & subject to the fees, rules and regulations of the performing rights societies)** and, subject to obtaining mechanical licenses therefore

(which Licensor agrees to issue at then-customary royalty rates), to include the Composition in soundtrack albums and other soundtrack recordings if applicable;

(c) to publicly perform and to authorize others to perform the Composition as so recorded in the exhibition of the Film **(by direct projection, by television, or by any other means now known or hereafter devised subject to paragraph 1 (e) below)** throughout the Territory to audiences in motion picture theatres and other public places of entertainment where motion pictures are customarily exhibited, and (subject to the provisions of paragraph 2, below) on all forms of television (including, without limitation, broadcast, satellite, and cable transmission); and

(d) subject to the payment of the fee(s) prescribed in paragraph 3 (c), below, to include the Composition as so recorded in home video devices of all types and configurations **(whether now known or hereafter devised subject to paragraph 1(e) below)** and to manufacture, distribute and sell and/or rent the same throughout the Territory, on terms and conditions set forth below;

i. Licensee shall render to Publisher, on a quarterly basis, as of March 31, June 30, September 30, and December 31, for the prior three months, a detailed written statement of the royalties due to Publisher with respect to Videograms of the Program containing the Composition(s). Such statement shall be accompanied by a remittance of such amount shown to be due in United States currency. Any statement remitted by Licensee subject to above paragraph shall be presumed to be true and correct and binding upon Publisher, except in the case of fraud, unless Publisher submits to Licensee specific objections to the submitted statement in writing within three (3) years after such statement has been remitted to Publisher.

ii. Publisher shall have the right to examine and inspect the books and records of Licensee which relate to the Program and Videograms of the Program containing the Composition(s) for the purpose of determining the accuracy of statements rendered by Licensee hereunder. Such examination shall be made during reasonable business hours, or reasonable business days, on no less than 10 days prior written notice at the regular place of business of Licensee where such books and records are maintained.

iii. In the event that Licensee shall fail to pay to Publisher the amounts specified in paragraph 3, below, on a timely basis or shall fail to account to Publisher and pay royalties as provided in paragraph 3, below, Publisher shall give Licensee written notice that unless such default is remedied within fifteen (15) days from receipt of the notice, this License will automatically terminate. Such termination shall render the distribution, licensing or use of the Composition as unauthorized uses, subject to the rights and remedies provided by the laws and equity of the Territory.

(e) Licensee shall have the right to use the Composition as synchronized in the Film in any media whatsoever now known or hereafter devised **(including use on the Internet so long as the internet service provider and site, as applicable, possess a valid U.S. small performing rights license)**, whether capable of being viewed and/or broadcast or otherwise exhibited by means of any playback, cable or other transmission systems including but not limited to CD-I, CD-ROM, 3DO or any other storage, delivery and/or retrieval devices or systems; provided, however, that Licensee shall not be permitted to use the Composition in any device which does not embody the Film substantially as generally released (excluding so-called Editor's and/or Director's cuts, or other similar alterations) or which is programmed in such a manner as to permit the viewer to manipulate the images and/or audio program material in a non-linear (i.e., non-sequential) progression. For the purposes hereof,

the inclusion of "chapter stops" or other addressable locator code of any kind on the applicable storage device shall not be deemed to constitute "non-linear manipulation."

2. (a) Performance of the Composition in the Film and/or trailer by means of television (other than performance in theatres and other public places described in paragraph 1(c), above), including but not limited to broadcast (so-called "free" broadcast television, whether network, syndicated, or local) cable (so-called "basic" or "CATV", "subscription" or "pay" cable, "pay-per-view", closed-circuit hotel television, and otherwise) and satellite transmission (whether received directly or through a cable system, and whether or not the transmission is clear or scrambled subject to decoding) (any person, firm or corporation by whom or through whom the signal is conveyed to the consumer being referred to below as a "Broadcaster") or the Internet, shall be permitted so long as the Broadcaster and/or Internet service provider and site, as applicable, possess a valid U.S. small performing rights license secured -

(i) - by the Broadcaster or Internet service provider and site from a performing rights society authorized to license the performance of the Composition in the Film in the country in which performance occurs; or

(ii) - by a United States Broadcaster or Internet service provider and site directly from Licensor; or

(iii) - by Licensee directly from Licensor in respect of the United States.

(b) (i) If at any time performances of the types described in paragraph 2(a), above, are not administered by a performing rights society in the United States, or any United States Broadcaster or Licensee (or any successor or assignee of Licensee) (Licensee, such Broadcaster, or such successor or assignee being referred to below interchangeably as an "Entity") wishes to enter into a direct performing rights license with Licensor (whether of the "blanket" or "per-program" variety) such Entity shall be contractually required to so notify Licensor in writing in advance of such Entity's first presentation of the Film not undertaken pursuant to a performing rights society "blanket license" and Licensor and such Entity shall negotiate in good faith for a period of 90 days thereafter with a view toward establishing an appropriate fee for such performance, and if they are unable to agree on an appropriate fee within such ninety-day period, they shall submit the matter to arbitration in Los Angeles in accordance with the then-applicable Rules for Commercial Arbitration of the American Arbitration Association, all costs of such arbitration (including Licensor's reasonable outside counsel fees) to be borne by such Entity.

(ii) Each such Entity which accepts in writing the provisions of this paragraph 2(b) shall be permitted to perform the Composition as recorded in the Film during the pendency of such negotiations (and, if applicable, such arbitration). Any such Entity which does not deliver to Licensor such written acceptance prior to such Entity's first such performance shall not be permitted to avail itself of the provisions of this paragraph 2(b).

(c) The theatrical, Internet or television performance of the Composition as recorded in the Film and/or trailer in any country outside of the United States shall be subject to clearance by the applicable performing rights society authorized to license performing rights in the Composition in such country, in accordance with such society's customary practice and subject to payment to such society of such society's customary fees for such performance.

3. The fees to be paid for the rights granted hereunder shall be as follows and are conditioned on film being released theatrically:

(a) \$ 3,500.00 payable upon the execution of this license;

(b) \$ 3,500.00 upon worldwide gross box office receipts of \$ 1 MILLION; an additional \$ 3,500.00 upon worldwide gross box office receipts of \$ 2 MILLION; an additional \$ 3,500.00 upon worldwide gross box office receipts of \$ 3 MILLION; an additional \$ 3,500.00 upon worldwide gross box office receipts of \$ 4 MILLION; and an additional \$ 3,500.00 upon worldwide gross box office receipts of \$ 5 MILLION.

(c) A royalty in an amount of \$0.15 per song, per home video device distributed in the Territory and not returned. Licensee will pay Publisher the sum of \$ 750.00 upon the sale of 5,000 Videogram copies; and an additional \$ 750.00 upon the sale of each 5,000 Videogram copies thereafter.

Licensor's consent to the foregoing is given with the provision that no other music publisher nor owner of the master recording whose Composition(s) are used in connection with the Production shall receive more favorable treatment (economic or otherwise) than that accorded to Licensor in regard to the Composition(s).

(d) This agreement shall not be effective nor shall any rights be granted hereunder until Licensor receives the executed agreements and payment of the license fee. In the event that the executed agreements and payment of the license fee are not received within thirty (30) days from ~~January 23, 2009~~ ^{FEB. 9,} 2009, Licensor's offer to grant this license will terminate, and any use of the Composition(s) will be considered to be a willful infringement of copyright. 12

4. (a) This license does not authorize or permit any use of the Composition not expressly set forth herein, all rights not expressly granted herein being reserved to the Licensor. Specifically, and without limiting the generality of the preceding sentence, Licensee shall not have the right to alter the fundamental character of the music of the Composition, utilize the Composition if the Film is released with an "NC-17" rating, utilize a substitute lyric with such music (except with the prior written consent of Licensor's Vice President of Licensing, which consent may be withheld in Licensor's sole discretion), utilize the title or subtitle of the Composition as the title of the Film, or utilize the story of the Composition; and

(b) Licensee shall not authorize or knowingly permit the use of any "soundalike" recordings in which an artist (solo or group) performs the Composition in such a way as to imitate an earlier recorded performance of the Composition by a different artist.

(c) Furthermore, in the event that less than 100% of the Composition is indicated above as being owned or controlled by Licensor, it shall be Licensee's sole responsibility to obtain a license(s) from the co-publisher(s) of the Composition covering their interest(s).

5. The rights granted hereby shall endure for the worldwide period of all copyrights in and to the Composition(s) that Licensor may now own or control, and any and all renewals or extensions thereof which Licensor may hereafter acquire but, in the latter instance Licensee shall not be required to pay any additional fees of or compensation beyond those prescribed above.

6. (a) Licensor warrants and represents that it has the legal right and power to grant this license, and makes no other warranty or representation. Without limiting the generality of the preceding sentence, it is specifically understood and agreed that in the event that Licensee secures a master use license for any recording of the composition, Licensor's warranties and representations do not extend to any samples or other material added to the Composition during the recording process unless Licensor has acquired an interest in such samples or other material as interpreted in the Composition sufficient to permit such usage. Licensor agrees to indemnify Licensee and hold Licensee harmless from and against any and all loss, cost, damage or expense (including court costs and reasonable outside attorneys' fees) due to a breach of such warranty and representation resulting in a final, nonappealable adverse judgment or a settlement entered into with Licensor's prior written consent (such consent not to be unreasonably withheld).

(b) Licensee agrees to indemnify Licensor and hold Licensor harmless from and against any and all loss, cost, damage or expense (including court costs and reasonable outside attorneys' fees) in any instance in which a claim, action or proceeding is brought against Licensor on the basis of the content of the Film and not by reason of the inclusion of the Composition therein.

(c) In each instance in which a claim, action or proceeding is commenced against one of the parties (or its successors or assigns) in respect of which such party is entitled to indemnity pursuant to the preceding provisions of this Paragraph 6, the party claiming indemnity (the "Indemnitee") shall give prompt written notice to the other party (the "Indemnitor") and defense by counsel of the Indemnitee's choice, at the Indemnitee's sole cost and expense.) To the extent required by the Indemnitor's errors-and-omissions carrier, the carrier shall be permitted to control such defense or, in the alternative, when Licensor is the Indemnitor, Licensee (or its successor or assign) may retain such control as its election but in such event Licensor's foregoing indemnity shall be limited to the fees paid or to be paid hereunder.

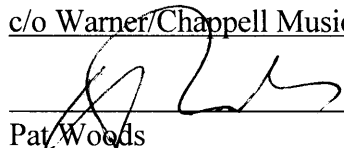
(d) In each instance in which a claim, action or proceeding is commenced against Licensee (or its successors or assigns) in respect of which indemnity is to be claimed pursuant to the preceding paragraph, Licensor shall be given prompt written notice thereof, and Licensor shall have the right to participate in the defense thereof by counsel of Licensor's choice, at Licensor's sole cost and expense. To the extent required by Licensor's errors-and-omissions carrier, the carrier shall be permitted to control such defense or, in the alternative, Licensee (or its successor or assignee) may retain such control but in such event the foregoing indemnity shall be limited to the fees paid or to be paid hereunder.

7. You shall be entitled to assign this Agreement as may be required in the ordinary course of your business provided, however, that any such assignment shall not be deemed to relieve you from any of your obligations under the Agreement and you shall remain primarily liable therefore.

8. This license has been entered into in, and shall be interpreted in accordance with the laws of, the State of California, and any action or proceeding concerning the interpretation and/or enforcement of this license shall be heard only in the State or Federal Courts situated in Los Angeles County, and both parties hereby submit themselves to the jurisdiction of such courts for such purposes. In any action between the parties to enforce any of the terms of this Agreement, the prevailing party shall, in addition to any other award of damage or remedy, be entitled to court costs and reasonable attorneys' fees.

IN WITNESS WHEREOF, the parties have executed the foregoing license as of the day and year set forth above.

Licensors: WB MUSIC CORP.
c/o Warner/Chappell Music, Inc.

By: 
Pat Woods
Vice President, Licensing

Licensee: NINA PALEY PRODUCTIONS, LLC

By: 
Title: owner