

**MUSIC REPRODUCTION AND "SYNCHRONIZATION" LICENSE FOR MOTION
PICTURE**

SONY/ATV MUSIC PUBLISHING LLC
8 Music Square West
Nashville, Tennessee 37203

Dated: February 4, 2009

Nina Paley Productions, LLC
81 Bedford Street #4D
New York, New York 10014

Ladies and Gentlemen:

When you sign below under the words "CONSENTED AND AGREED TO," and we sign below under the words "Very truly yours," the following will constitute a binding license agreement between you and us:

1. Conditioned on your full and continuing compliance with all of the terms, covenants and conditions herein contained, we hereby grant you a non-exclusive license to (a) reproduce the musical works (the "Licensed Works") each for up to their full duration as "visual vocal" use in synchronization with certain visual images contained in the motion picture (the "Motion Picture"); and (b) publicly perform the Licensed Works, as reproduced in the Motion Picture in the territory (the "Licensed Territory,") during the term (the "Licensed Term,") in all media now known or hereafter developed including, but not limited to, theaters, non-theatrical venues including, but not limited to, film festivals, airplanes, schools, prisons, military bases and the like, and all forms of television now known or hereafter developed including, but not limited to, free, pay, subscription, satellite and cable television, and on the internet (in all formats) ;and (c) distribute not more than 5,000 copies of the Licensed Work, as reproduced in the Motion Picture only, on all forms of home video exploitation now known or hereafter developed (linear formats only) including, but not limited to, videocassettes and digital videodiscs.

MOTION PICTURE: SITA SINGS THE BLUES

LICENSED WORK: Our one hundred percent (100%) interest in each of two (2) musical works entitled WHAT WOULDN'T I DO FOR THAT MAN (J. Gorney, E.Y. Harburg) and DADDY WON'T YOU PLEASE COME (S. Coslow).

LICENSED TERRITORY: The world.

LICENSED TERM: Commencing on the date of the initial commercial release of the Motion Picture and continuing

thereafter in perpetuity.

All rights in the Licensed Works not specifically granted to you in this license are retained by us. Furthermore, you understand and agree that unless otherwise provided for in this license, you shall not make reference to or display the title of the Licensed Works, lyrics of the Licensed Works, or the composer(s) of the Licensed Works, in any press release or public disclosure related to the Motion Picture.

2. In consideration of the license granted herein, and as a condition thereof, you shall pay us the following sums:

- (a) the sum of \$7,000., which shall be divided equally among the Licensed Works, to be received by us no later than sixty (60) days from the date hereof;
- (b) the sum of \$1,500., which shall be divided equally among the Licensed Works, and you shall have the right to distribute copies of the Videogram in increments of 5,000 (the "Rollover") during the term of this license, commencing with the 5,001st copy to be distributed, which sum(s) must be received by us promptly following the distribution of the first Videogram in each Rollover;
- (d) the sum of \$7,000., which shall be divided equally among the Licensed Works, when the gross worldwide box office receipts for the Motion Picture, as reported in VARIETY, exceed \$1,000,000., payment to be made promptly following the publication of the edition of VARIETY containing the relevant receipts amount;
- (e) the sum of \$7,000., which shall be divided equally among the Licensed Works, when the gross worldwide box office receipts for the Motion Picture, as reported in VARIETY, exceed \$2,000,000., payment to be made promptly following the publication of the edition of VARIETY containing the relevant receipts amount;
- (f) the sum of \$7,000., which shall be divided equally among the Licensed Works, when the gross worldwide box office receipts for the Motion Picture, as reported in VARIETY, exceed \$3,000,000., payment to be made promptly following the publication of the edition of VARIETY containing the relevant receipts amount;
- (g) the sum of \$7,000., which shall be divided equally among the Licensed Works, when the gross worldwide box office receipts for the Motion Picture, as reported in VARIETY, exceed \$4,000,000., payment to be made promptly following the publication of the edition of VARIETY containing the relevant receipts amount;

(h) the sum of \$7,000, which shall be divided equally among the Licensed Works, when the gross worldwide box office receipts for the Motion Picture, as reported in VARIENTY, exceed \$5,000,000, payment to be made promptly following the publication of the edition of VARIENTY containing the relevant receipts amount.

3. Television stations throughout the world, and theaters outside the United States which you authorize to publicly perform the Licensed Works as reproduced in the Motion Picture, must hold valid performing rights licenses issued either by us or our performing rights society. In the event that any station or theater does not hold such a license, we shall negotiate with such station or theater in good faith the terms and conditions of a direct performing rights license for the purpose of permitting the performance of the Licensed Works by such station or theater. In the United States, our performing rights society is ASCAP.

4. Within a reasonable time following your execution of this license or the initial commercial release of the Motion Picture, which event shall occur first, you shall deliver to us two (2) copies of the music cue sheet for the Motion Picture.

5. We warrant and represent that the Licensed Works are original and will not infringe upon the rights of any third party, and that we have the right to enter into this license and grant you all rights as provided herein. We shall indemnify and hold you, and your officers, directors, employees, successors, assigns and licensees (collectively, the "Indemnified Parties") harmless from and against any and all claims, losses, costs, expenses and damages payable by the Indemnified Parties including, but not limited to, reasonable attorneys' fees, resulting from any claim inconsistent with the foregoing warranties and representations (an "Adverse Claim"). Our indemnification obligation is conditioned upon the Indemnified Parties (a) providing us with prompt written notice of any Adverse Claim; (b) full cooperation with the defense of any Adverse Claim; and (c) consent to be represented by counsel of our choice in the defense of any Adverse Claim, at our sole cost and expense. In the event that we do not provide counsel to represent the Indemnified Parties in connection with any Adverse Claim within twenty (20) days following our receipt of written notice from the Indemnified Parties that any Adverse Claim has been asserted, the Indemnified Parties shall have the right to obtain such counsel at our expense. In all events, our liability to the Indemnified Parties resulting from our indemnification obligation under this license shall not for any reason exceed the amount of money paid by you to us under this license.

6. In the "end credits" of the Motion Picture you shall accord a customary credit to the composers of the Licensed Works; provided, however, that any inadvertent failure to do so shall not constitute a material breach of this license.

7. This license shall run to you and your successors and assigns, provided

that you shall remain liable for the performance of all of the terms and conditions of this license on your part to be performed.

8. This license shall be deemed to have been made in the State of New York and shall be construed under the laws of the State of New York applicable to agreements made and wholly performed therein. Any legal action or proceeding arising from or relating to this license must be brought in the federal or state courts located in New York County, New York (the "New York Courts") and not in any other court or jurisdiction. You irrevocably waive any objection that you may now or hereafter have to the venue of any such action or proceeding in the New York Courts or that such action or proceeding was brought in an inconvenient court and covenant not to plead or claim the same. Service of process in any such action or proceeding shall be made in the manner specified in this license for notices hereunder.

9. All notices hereunder shall be in writing and shall be given by personal delivery, by courier, or by registered or certified mail (return receipt requested). The address of each party to which notices shall be delivered or sent is set forth below. Any party may change its address by written notice to the other party.

To us:

Sony/ATV Music Publishing LLC
8 Music Square West
Nashville, Tennessee 37203
Attn: Manager, Synchronization Licensing

and

Sony/ATV Music Publishing LLC
550 Madison Avenue
New York, New York 10022
Attn: Senior Vice President, Business Affairs and Administration

and

To you:

Nina Paley Productions, LLC
81 Bedford Street #4D
New York, New York 10014

10. You shall not be deemed to be in breach of this license unless we first shall have delivered written notice to you, specifying in detail the nature of the breach or


claimed breach, and you shall have failed to remedy the breach within a reasonable time following your receipt of that notice. We waive any right to enjoin the distribution of other exploitation of the Motion Picture in the event of breach or alleged breach of this license.

11. You acknowledge and understand that no rights are granted to you hereunder to any sound recording of the Licensed Works. You shall indemnify and hold us harmless against any and all damages payable by us including, but not limited to, costs and reasonable attorney's fees, as a result of your failure to obtain a license or licenses from any third party or parties controlling rights in any sound recording of the Licensed Work reproduced in the Motion Picture.

12. No other licensor granting you rights to reproduce any (a) sound recording of the Licensed Work, (b) other musical work(s), or (c) sound recording of any other musical work(s) in the Motion Picture shall receive terms more favorable than those contained herein. If any such licensor does receive more favorable terms, we shall be entitled to such more favorable terms retroactive to the date hereof.

Very truly yours,

SONY/ATV MUSIC PUBLISHING LLC
as successor-in-interest to FAMOUS
MUSIC

By: 
Tax ID# 13-3861539

CONSENTED AND AGREED TO:

NINA PALEY PRODUCTIONS, LLC

By: 

NINA PALEY, OWNER
Print Name and Title