

Master Use and Videogram License

This Master Use and Videogram License Agreement (the "Agreement") is made between:
_____ ("Owner") and
_____ ("Producer").

Owner is the owner of rights for the master recordings:

_____ (the

"Masters").
Producer is the owner of rights for the Motion Picture tentatively entitled
_____ (the "Motion
Picture").

Producer desires to license the Masters for use in the Motion Picture and in audiovisual devices for home use such as videotapes and DVDs ("Videograms"). The parties agree as follows:

Grant

(Select one or more Grant provisions if applicable)

Grant of Audiovisual License. Owner grants to Producer and Producer's successors and assigns the nonexclusive right to use and reproduce the Masters solely in synchronization with the Motion Picture in any medium, now known or later created within the Territory. Owner grants to Producer the right to publicly perform the Masters solely in synchronization with the Motion Picture within the Territory. These public performance rights include the public exhibitions of the Motion Picture in theaters and other public places where motion pictures are customarily exhibited and for television exhibition of the Motion Picture including all methods of television reproduction and transmissions within the Territory.

Grant of Videogram License. Owner grants to Producer and Producer's successors and assigns the nonexclusive right to record, copy, and synchronize the Masters, solely as part of the Motion Picture, on audiovisual devices including, but not limited to video cassettes, DVDs, and similar compact audiovisual devices that reproduce the entire Motion Picture in substantially its original form ("Videogram"). This Videogram license is solely for the distribution of Videograms

intended primarily for home use in the Territory.

Use in Trailers. Owner grants to Producer and Producer's successors and assigns, the nonexclusive right to record, copy, synchronize, and perform the Masters in connection with trailers used for the advertising and exploitation of the Motion Picture.

Reservation of Rights

Owner reserves all rights not granted in this Agreement.

Modifications to Masters

Producer shall not make any change in the Masters without written prior authorization from Owner.

Territory

The rights granted in this Agreement are for the following:

_____ (the "Territory").

Union Reuse Fees

Owner agrees to provide Producer with all information regarding any reuse fees required by unions or guilds as a result of this license. Producer agrees to pay all such reuse payments including related pension or welfare payments and to indemnify Owner from claims arising from such payments.

Musical Works Synchronization Rights

Producer agrees to obtain all appropriate synchronization, performance, and reproduction rights for the musical compositions embodied on the Masters and to indemnify Owner for any claims arising from such rights.

Audiovisual License Payments

As payment for the rights granted for the Audiovisual License, Producer shall pay Owner as follows:

(Select payment option and fill in blanks)

One-Time Payment. Producer shall pay Owner a one-time payment of \$ _____

upon first public performance of the Motion Picture or within nine (9) months of signing this agreement, whichever is earlier.

- Advance and Royalties.** Producer shall pay Owner a nonrefundable advance ("Motion Picture Advance") in the sum of \$_____ recoupable against royalties derived from the Audiovisual License ("Audiovisual Royalties"). Producer shall pay Owner Audiovisual Royalties of _____% of net profits from the public exhibition and public performance of the Motion Picture.
- Royalties.** Producer shall pay Owner _____% of the net profits from the public exhibition and public performance of the Motion Picture.

Videogram License Payments

As payment for the rights granted for the Videogram License, Producer shall pay Owner as follows:

(Select payment option and fill in blanks)

- One-Time Payment.** Producer shall pay Owner a one-time payment of \$_____ within nine (9) months of signing this agreement.
- Advance and Royalties.** Producer shall pay Owner a nonrefundable advance ("Videogram Advance") in the sum of \$_____ recoupable against royalties derived from the Videogram License ("Videogram Royalties"). Videogram Royalties for Videogram copies of the Motion Picture shall be paid as follows:
 - Net Profits.** Producer shall pay Owner _____% of the Producer's net profits for all Videogram revenues including all sales, licenses, or other sources of revenue for Videogram distribution (not including shipping charges or taxes).
 - Pro Rata Option.** Producer shall pay Owner _____% ("Owner's Pro Rata Portion") of _____% of the net revenue for all Videogram income including all sales, licenses, or other sources of revenue for Videogram distribution. Owner's Pro Rata Portion represents the proportion the Composition bears to the total number of Royalty-bearing compositions contained in the Motion Picture.

Payments & Statements

Within forty-five (45) days after the end of each calendar quarter (the "Royalty Period"), Producer shall furnish an accurate statement of net revenues derived from the licenses granted in this agreement along with any royalty payments. Producer may withhold a

reasonable reserve for anticipated returns, refunds, and exchanges of Videograms, and this reserve shall be liquidated no later than twelve (12) months after the respective accounting statement.

Audit

Producer shall keep accurate books of account and records covering all transactions relating to the licenses granted in this Agreement, and Owner or its duly authorized representatives shall have the right upon five (5) days prior written notice, and during normal business hours, to inspect and audit these accounts and records.

Warranty

Owner warrants that it has the power and authority to grant the rights in this Agreement and that the Masters do not infringe any third-party rights. In no event shall Owner's liability for a breach of this warranty exceed the amount of payments received under this Agreement.

Credits

Owner shall receive credit in the following form:

This credit shall be provided as follows:

(Select one or more if appropriate)

similar to all other Masters used in the Motion Picture.

in all paid advertising similar to all other musical Masters used in the Motion Picture.

Samples

Producer shall promptly furnish Owner with _____ copies of each format of Videogram release.

Cue Sheets

Producer agrees to furnish Owner a cue sheet of the Motion Picture within thirty (30) days after the first public exhibition of the Motion Picture.

Term

The term of this Agreement is for the term of United States copyright in the Masters including renewal terms, if any.

Termination & Breach

In the event that Producer (or Producer's assigns or licensees) breaches this Agreement and fails to cure such breach within thirty (30) days after notice by Owner to Producer, this license will automatically terminate and all rights granted under this Agreement shall revert to Owner. Failure to make timely payments or to provide credit as provided in this Agreement shall be considered a material breach of this Agreement.

Miscellaneous

This Agreement may not be amended except in a writing signed by both parties. If a court finds any provision of this Agreement invalid or unenforceable, the remainder of this Agreement shall be interpreted so as best to effect the intent of the parties. This Agreement shall be governed by and interpreted in accordance with the laws of the State of _____ . This Agreement expresses the complete understanding of the parties with respect to the subject matter and supersedes all prior representations and understandings. Any controversy or claim arising out of or relating to this Agreement shall be settled by binding arbitration in accordance with the rules of the American Arbitration Association or the rules of _____, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. All notices provided for under this Agreement must be in writing and mailed to the addresses provided in the signature portion of this Agreement.

OWNER:

ADDRESS:

PRODUCER:

ADDRESS:

