
SAMPLE DISTRIBUTION AGREEMENT

Getting distribution for an independent short film is next to impossible. More often than not, you end up handing out copies of your film on DVDs that you burned on your home computer. For this reason, the Boston Motion Picture Awards are presenting the winners of the International Short-Film Competition with a distribution agreement. While it's unlikely that this distribution agreement will yield huge profits (independent short films don't tend to have mass market appeal) this distribution agreement will benefit the winners in the following ways:

- 1) The agreement is non-exclusive, which means that the winners can continue to market and sell their films while the Boston Motion Picture Awards do the same.
- 2) In addition to pursuing other avenues, the BMPAs will market the winning films together, on a BMPA compilation DVD, which means that consumers will have the opportunity to purchase three award-winning films at once.
- 3) Simply getting a distribution deal is a huge accomplishment. Knowing that your previous work has been picked up by a distributor can be the difference between an investor saying yes or no to funding your next project.

NOTE: The following is a sample Distribution Agreement. The Boston Motion Picture Awards reserve the right to alter this agreement, at the advice of legal counsel and/or industry professionals, before presenting it to the winners of the International Short-Film Competition. In the event that any or all of the Winners choose not to sign the Distribution Agreement, the Boston Motion Picture Awards may offer this Agreement to Finalists and/or Semifinalists of their choice. If you have any questions or concerns regarding this Agreement, please contact us at www.bostonawards.com/2007-Contact/.

[DATE]

[PRODUCTION COMPANY NAME]

[NAME OF AUTHORIZED OFFICER OF COMPANY]

[PRODUCTION COMPANY ADDRESS -- LINE 1]

[PRODUCTION COMPANY ADDRESS -- LINE 2]

[PRODUCTION COMPANY TELEPHONE]

RE: [MOTION PICTURE TITLE]

Agreement made and entered into as of [DATE] by and between [DISTRIBUTOR NAME], a Massachusetts [COMPANY TYPE] ("Distributor") at [DISTRIBUTOR ADDRESS], and [PRODUCTION COMPANY NAME], a [STATE] [COMPANY TYPE] ("Producer") at [PRODUCTION COMPANY ADDRESS]. In consideration of their respective covenants, warranties, and rep-

resentations, together with other good and valuable consideration, Distributor and Producer hereby agree as follows:

1. PICTURE: Producer will deliver to Distributor the documentation, advertising, and access to the physical materials (the "Materials") set forth in the attached Delivery Schedule, relating to the [PRODUCTION FORMAT (35MM/16MM/MINIDV, ETC.)] motion picture, currently entitled [MOTION PICTURE TITLE], directed by [DIRECTOR NAME], based on the script written by [WRITER NAME].

2. RIGHTS GRANTED:

a) Producer hereby grants to Distributor the right, title, and interest in and to the distribution of the Picture, its sound, and music in the territory (as hereinafter defined) including the non-exclusive right and privilege, under the Producer's copyright and otherwise, to distribute, license, and otherwise exploit the Picture, its image, sound, and music, for the term (as hereinafter defined) throughout the territory (as hereinafter defined) for Home Video and Television media.

Such rights do not include the rights to produce other motion pictures, sequels, or remakes of the Picture or any right to produce television series, miniseries, or programs or other so-called ancillary programs or any rights reserved (hereinafter called "Reserved Rights") to Producer. Without limiting the generality of the foregoing, or any other rights granted Distributor elsewhere in this agreement, Producer hereby grants to Distributor the following rights:

i) HOME VIDEO RIGHTS: All rights in and to the manufacture, distribution, exploitation, and non-admission free home-use exhibition of the Picture, its sound, and music (whether by sale or by rental) by means of any and all forms of videocassette, videodisc, video cartridge, tape, or other similar device ("Videogram") now known or hereafter devised and designed to be used in conjunction with a reproduction apparatus that causes a visual image (whether or not synchronized with sound) to be seen on the screen of a television receiver or any comparable device now known or hereafter devised, including DVD (the "Home Video Rights" or "Video Rights").

ii) FREE TELEVISION RIGHTS: All rights in and to the distribution, exhibition, marketing, and other exploitation of the Picture, its sound, and music by free television utilizing means other than those provided for in Paragraph 2(a) above and including, without limitation, free television, by network, or by syndicated UHF or VHF broadcast (the "Free Television Rights").

iii) PAY TELEVISION/PAY-PER-VIEW: All rights in and to the distribution, exhibition, marketing, and other exploitation of the Picture, its sound, and music by means of "Pay Television" as that expression is commonly understood in

the motion picture industry, and including, without limitation, cable, wire, or fiber of any material, "over-the-air pay," all forms of regular or occasionally scrambled broadcast, master antenna, and multi-channel, multi-point distribution, satellite transmission and radio (for purposes of simulcast only), all on a subscription, pay-per-view, license, rental, sale, or any other basis (the "Pay Television Rights").

b) ADVERTISING: Distributor shall have the right throughout the territory during the Term to advertise and publicize (or have its subdistributors advertise and publicize) the Picture by any and all means, media, and method whatsoever, including, by means of the distribution, exhibition, broadcasting, and telecasting of trailers of the Picture, or excerpts from the Picture prepared by the Distributor or others, subject to any customary restrictions upon and obligations with respect to such rights as are provided for in the contracts in relation to the production of the Picture.

c) TITLE: Distributor shall have the right to use the present title of the Picture. Subdistributors may change the title for distribution in their territories. No other changes to the title shall be made without Producer's written approval.

d) EDITING:

i) Distributor, in its discretion, will have the right to incorporate into the Picture preceding and/or following the main and end titles of the Picture and Trailers thereof, and in all advertising and publicity relating thereto, in such manner, position, form, and substance as Distributor may elect, Distributor's trademark, logo, and presentation announcement, and the designation of Distributor as the distributor of the Picture. Any re-edit of the credit sequence will be at Distributor's expense.

ii) Distributor's right to edit hereunder specifically excludes the right to make alterations whatsoever to the original negative and/or Video Master of the Picture, to which Distributor shall have lab access rights (irrevocable for the term of this Agreement) for duplication purposes only. Other than changes required to meet government censorship rules, or changes made to allow for the insertion of television commercials and to meet broadcast standards and practices guidelines, Distributor shall not make any changes to the Picture without the prior written consent of Producer.

iii) Distributor hereby indemnifies Producer for any losses, including reasonable attorneys' fees, incurred as a result of any liability arising from Distributor's editing, adding, or changing material in the Picture.

e) LICENSING: Distributor has the right to grant licenses and other authorizations to one or more third parties to exercise any or all of said rights and privileges provided

herein, in countries throughout the territory. The maximum term for any license granted by the Distributor shall be two (2) years. Distributor may not assign its distribution rights to another sales company, or use a subdistributor to fulfill Distributor's obligations under this Agreement, without prior written consent of Producer.

3. RESERVED RIGHTS: All other rights not expressly granted herein, including but not limited to electronic publishing, print publication, Internet distribution, music publishing, live television, radio, and dramatic rights are reserved to the Producer.

4. TERRITORY: The territory (herein "Territory") for which rights are granted to Distributor consists of the World and Universe (in all languages).

5. TERM: The rights granted to Distributor under this Agreement will commence on the date of this Agreement and continue thereafter for two (2) years.

6. ADVERTISING/PROMOTION: Producer will supply to Distributor the advertising and marketing materials set forth on the attached delivery schedule, Schedule A.

7. Producer represents and warrants that the Picture is, and will be throughout the Term, protected by copyright. Each copy of the Picture will contain copyright notice conforming to and complying with the requirements of the United States Copyright Act as amended from time to time.

8. PRODUCTION COSTS: As between Producer and Distributor: Producer is and will be responsible for and has paid or will pay all production costs, taxes, fees, and charges with respect to the Picture and/or Materials, except as provided herein. As used herein, "production costs" will include all costs incurred in connection with the production of the Picture and the Materials, including payments to writers, producers, directors, artists, and all other persons rendering services in connection with the Picture and/or the Materials, all costs and expenses incurred in acquiring rights to use music in connection with the Picture, including synchronization, performance, and mechanical-reproduction fees and union residuals.

9. PRODUCER'S REPRESENTATIONS AND WARRANTIES: Producer warrants and represents to Distributor, to the best of Producer's knowledge and belief, as follows:

a) Producer has full right, power, and authority to enter into and perform this Agreement and to grant to Distributor all of the rights herein granted and agreed to be granted to Distributor.

b) Producer has acquired, or will have acquired prior to the delivery of the Picture hereunder, and will maintain during the term, all rights in and to the literary and musical material upon which the Picture is based or which are used therein, and any

other rights necessary and required for the exploitation of the Picture, as permitted hereunder.

c) Neither the Picture nor the Materials nor any part thereof, nor any literary, dramatic, or musical works or any other materials contained therein or synchronized therewith, nor the exercise of any right, license, or privilege herein granted, violates or will violate, or infringes or will infringe, any trademark, trade name, contract, agreement, copyright (whether common law or statutory), patent, literary, artistic, dramatic, personal, private, civil, or property right or right of privacy or "moral right of authors," or any law or regulation or other right whatsoever of, or slanders or libels, any person, firm, corporation, or association.

d) Producer has not sold, assigned, transferred, or conveyed and will not sell, assign, transfer, or convey, to any party, any right, title, or interest in and to the Picture or any part thereof, or in and to the dramatic, musical, or literary material upon which it is based, adverse to or derogatory of or which would interfere with the rights granted to Distributor, and has not and will not authorize any other party to exercise any right or take any action that will derogate from the rights herein granted or purported to be granted to Distributor.

e) Producer will obtain and maintain all necessary licenses for the production, exhibition, performance, distribution, marketing, and exploitation of the Picture and/or the Materials, including, without limitation, the synchronization and performance of all music contained herein, throughout the Territory during the term for any and all purposes contemplated hereunder. Producer further represents and warrants that as between the Producer and Distributor, the performing rights to all musical compositions contained in the Picture and/or the Materials will be controlled by Producer to the extent required for the purposes of the Agreement and that no payments will be required to be made by Distributor to any third party for the use of such music in the Materials or on television or in Videogram embodying the Picture other than Guild-required residual payments.

f) Producer represents and warrants that all artists, actors, musicians, and persons rendering services in connection with the production of the Picture or the Materials have been or will be paid by Producer the sums required to be paid to them under applicable agreements, and the sums required to be paid pursuant to any applicable pension or similar trusts required thereby will be made by Producer, in a due and timely manner.

g) It is understood that the Producer has not obtained Errors and Omissions insurance. If, however, demand is made by a sub-licensee/distributor for a certificate of Errors and Omissions insurance, as indicated above, Distributor will advance such cost and recoup the expense from Gross Receipts. Producer shall be added as an additional name insured on any E&O policy.

h) The Picture should receive an MPAA rating no more restrictive than "R." It is understood that the Picture has not received or applied for an MPAA rating. If and when it becomes necessary to receive an MPAA rating, Producer shall promptly perform any and all traditional editing necessary in order to secure said MPAA rating. The expense of securing such rating shall be advanced by Distributor and recouped from Gross Receipts.

10. DISTRIBUTOR'S WARRANTIES: Distributor warrants the following:

a) Distributor has the authority to enter into this agreement, and there are and, to the best of Distributor's knowledge and belief, will be, no claims, actions, suits, arbitrations, or other proceedings or investigations pending or threatened against or affecting the Distributor's ability to fulfill its obligations under this agreement, at law or in equity, or before any federal, state, county, municipal, or other governmental instrumentality or authority, domestic or foreign.

b) Distributor is and will continue to be engaged during the Term as a distributor of motion pictures throughout the licensed territory. Distributor is not unable to pay its bills in the regular course of business, is not insolvent nor in danger of bankruptcy.

c) Distributor warrants that all payments from subdistributors and other licensees will be by check, wire transfer, letter of credit, or money order paid directly into the collection bank account established for this Picture. If cash is accepted, a copy of license agreement with the amount of the deposit will be sent to Producer. Distributor further warrants that Distributor will not accept any other consideration, whether cash, discounts on Distributor's other films, favors of any kind, or any other form of consideration, from any subdistributor or Distributor in return for licensing the Picture, unless such consideration is approved by Producer. The amount paid by Licensees shall be divided into a license fee for distribution rights and reimbursement of any duplication and manufacturing costs needed to make delivery to the licensee. Duplication and manufacturing costs shall be limited to the direct out-of-pocket costs incurred by Distributor to create delivery materials for the licensees. These expenses shall not be marked up, and reimbursement of these expenses shall not be included in Gross Receipts.

d) Distributor will obtain any necessary clearances needed for any advertising and marketing materials created to promote Producer's film, and will employ artists and designers on a work-for-hire basis with Producer designated as the Employer and copyright owner of such materials.

e) The standard quality of all Videograms, sub-masters, and other materials manufactured or duplicated by, or at the request of, Distributor shall be of high quality.

f) Distributor shall not use the Picture, or authorize the Picture to get used, in any manner that is likely to bring Producer into disrepute or that is defamatory of any person.

g) Distributor shall not make any edits, cuts, alterations, or rearrangements to the Picture as released without the prior written approval of Producer.

h) Producer acknowledges and agrees that Distributor makes no express or implied representation, warranty or guarantee as to the gross receipts to be derived from the distribution of the Picture by Distributor, subdistributors, or licensees.

11. INDEMNITY: Each party agrees to defend, indemnify, and hold harmless the other (and its affiliates, and its and their respective successors, assigns, distributors, officers, directors, employees, and representatives) against and for any and all claims, liabilities, damages, costs, and expenses (including reasonable attorneys' fees and court costs) arising from or related to any breach by the indemnifying party of any of its undertakings, representations, or warranties under this Agreement, and/or arising from or related to any and all third-party claims to which this indemnity will apply, and to afford the indemnifying party the opportunity to undertake the defense of such claim(s) with the counsel approved by the indemnified party (which approval will not be unreasonably withheld), subject to the right of the indemnified party to participate in such defense at its cost. In no event shall any such claim be settled in such a way as which would adversely affect the rights of the indemnified party in the Picture without such party's prior written consent.

12. DELIVERY OF MATERIALS: The Picture will be delivered as follows:

a) On or before [DATE], Producer will deliver to Distributor the materials specified in Exhibit A hereto, accompanied by a fully executed lab access letter (irrevocable for the term) for access to the Master materials. The lab access letter shall provide that at Producer's request, the Laboratory will disclose to Producer a complete listing of all orders fulfilled by Laboratory for Distributor, including a description of which materials were ordered, the prices charged for the work, and to whom each order was shipped.

b) If any said materials are not acceptable to Distributor, Distributor will notify Producer of any technical problems or defects within ten (10) business days, and Producer will promptly replace the defective materials at Producer's sole expense. Distributor shall have no right to terminate this Agreement unless and until Producer has failed to cure any such defects within thirty (30) days after notice thereof from Distributor. If no objection is made by the Distributor within ten (10) business days of delivery of an item, the item will be deemed acceptable and not subject to further objection. Distributor will supply Producer with a copy of any laboratory quality-control report that Distributor receives.

c) Producer will concurrently, with the delivery of the materials, deliver to Distributor a list of contractual requirements for advertising credits to persons who rendered services or furnished materials for such Picture and a list of any restrictions.

13. ALLOCATION OF GROSS RECEIPTS: As to proceeds derived from Distributor's exploitation of all rights outlined in Paragraph 2, division of the Gross Receipts will be made as follows:

a) From the Distributor's exploitation of Television, Home video, and any other Granted Rights, Distributor shall deduct and retain twenty percent (20%) of Gross Receipts. From the remaining revenues, Distributor may recoup all recoupable expenses related to the prints, marketing, advertising, and sale of the Picture. The net proceeds shall be paid to Producer.

b) GROSS RECEIPTS: As used herein, the term "Gross Receipts" shall mean all monies actually received by credited Distributor, less any refunds, returns, taxes, collection costs, and manufacturing or duplication costs. Distributor may be sent advances, guarantees, security deposits, and similar payments from persons or companies licenses by Distributor to subdistribute or otherwise exploit the Picture (which monies shall be deposited in the collection account established for this Picture). Notwithstanding the receipt of such monies, if any, and notwithstanding anything to the contrary contained herein, no such monies will be deemed to be Gross Receipts hereunder unless and until such monies are earned or deemed fortified, or become non-returnable.

c) Deductions from Gross Receipts shall be taken in the following order:

- 1) Distribution fee of twenty (20) percent
- 2) Recoupment of any recoupable Delivery Expenses incurred by Distributor
- 3) Recoupment of any recoupable Market and Promotional Expenses incurred by Distributor
- 4) Net Proceeds shall be paid to Producer.

14. RECOUPABLE EXPENSES: As used herein, the term expenses and/or recoupable expenses shall mean all of the Distributor's actual expenses on behalf of the Picture, limited as follows:

a) MARKET EXPENSES: These expenses include all direct out-of-pocket costs to attend film markets such as AFM, Cannes, and MIFED. Such expenses include airfare, hotel, shipping, telephone, and staff expenses incurred to attend a film market. Such expenses shall be recoupable for the first year of distribution only, and only for those markets in which Distributor is actively participating (i.e., Distributor attends, rents a suite, and is actively selling the Picture). Distributor may recoup a total of \$5,000 for the year.

b) PROMOTIONAL EXPENSES: These expenses are limited to out-of-pocket expenses actually spent on behalf of the Picture. At Producer's request, Distributor shall provide receipts for each and every expense or forego recoupment. Recoupable promotional expenses do not include any of Distributor's general office, overhead, legal, or staff expenses, or any of the aforementioned Market Expenses, or the Delivery Expenses set forth in the next paragraph.

c) DELIVERY EXPENSES: Delivery Expenses are the direct out-of-pocket costs incurred by Distributor to manufacture any of the film or video deliverables (as listed on Exhibit A) that Producer did not supply. Delivery Expenses also include the direct out-of-pocket costs incurred between markets for shipping, duplicating, delivery of marketing materials (i.e., screeners) to foreign buyers. At Producer's request, Distributor shall provide receipts for each and every expense or forego recoupment. Recoupable Delivery Expenses do not include any of Distributor's general office, overhead, legal, or staff expenses or any of the aforementioned Promotional or Marketing Expenses.

15. PACKAGE SALES: The Picture may be included in any of Distributor's package of motion pictures, provided that Distributor shall make a fair and reasonable allocation of the package price to each of the pictures in the package, and provided that the price allocated to Producer's Picture shall be at least the minimum set forth in Schedule A, attached.

16. LATE PAYMENTS/LIEN: Producer shall hold a lien and security interest on the gross receipts and distribution contracts for the Picture. All monies due Producer shall be paid in accordance with this agreement. Distributor shall pay Producer on any amounts thirty (30) days past due at the lesser of 1) ten percent (10%) per annum, or 2) the maximum legal rate of interest. Time is of the essence hereof in regard to all payments due Producer.

17. DEFAULT/TERMINATION:

a) DISTRIBUTOR DEFAULT: If it is found and proven that Distributor has defaulted on its obligations under this Agreement, upon notification of that fact from Producer, Distributor will have thirty (30) days to cure said default. If the default is not cured within the allotted period, the Producer will have the right to initiate arbitration.

b) PRODUCER DEFAULT: Distributor shall notify the Producer in writing of any alleged default hereunder. Producer shall have thirty (30) days to correct alleged default before Distributor will have the right to initiate arbitration.

18. ACCOUNTINGS:

a) Distributor will render, or cause to be rendered to Producer, quarterly accounting statements ("Producer Reports") commencing forty-five (45) days after the first

quarter in which any deposit or licensee fee has been paid for exploitation of the Picture in any portion of the Territory, for the first year of this Agreement. Thereafter, quarterly statements will be made within forty-five (45) days after the last day of Distributor's then-current fiscal accounting period. All monies due and payable to Producer pursuant to this Agreement shall be paid simultaneously with the rendering of such statements. Statements and payments shall be sent to [PRODUCTION COMPANY NAME] at [PRODUCTION COMPANY ADDRESS]. Payments shall be made payable to [PRODUCTION COMPANY NAME].

b) Producer will be deemed to have consented to all accountings rendered by Distributor or its assignees or successors, and all such statements will be binding upon Producer unless specific objections in writing, stating the basis thereof, is given by Producer within thirty-six (36) months of Producer's receipt of each Producer Report.

c) Distributor shall keep and maintain at its office in Massachusetts, until expiration of the Term and for a period of five (5) years thereafter, complete, detailed, permanent, true, and accurate books of account and records relating to the distribution and exhibition of the Picture, including, but not limited to, detailed collections and sales by country and/or buyer, detailed billings thereon, detailed playdates thereof, detailed records of expenses that have been deducted from collections received from exploitation of the Picture, and the whereabouts of prints, trailers, accessories, and other material in connection with the Picture. Records shall be kept in accordance with Generally Accepted Accounting Principles (GAAP). Producer shall be entitled to inspect such books and records of Distributor relating to the Picture upon ten (10) business days' written notice to Distributor, and provided that not more than one audit is conducted every twelve (12) months during each calendar year, and further provided that such audit shall last not more than ten (10) consecutive business days once begun, and does not interfere with Distributor's normal operations. Within thirty (30) days of the completion of the audit, the Producer will furnish Distributor with a copy of said audit. In the event that the audit discloses that Producer has been underpaid \$5,000 or more, Distributor shall reimburse Producer for all audit costs. Otherwise, all audit expenses shall be borne by Producer.

d) RELATIONSHIP BETWEEN PARTIES: Distributor will hold the Producer's portion of Gross Receipts in trust for Producer. This Agreement will not constitute a partnership or joint venture between Distributor and Producer, and neither of the parties will become bound or liable because of any representations, acts, or omissions of the other party hereto.

19. NOTICES: All notices, correspondence, writings, and statements shall be forwarded to the addresses and numbers as follows: [PRODUCTION COMPANY NAME] at [PRODUCTION COMPANY ADDRESS]; [DISTRIBUTION COMPANY NAME] at [DISTRIBUTION COMPANY ADDRESS]. Both parties reserve the right to change the address of service at any time, with notice in writing to the receiving party.

20. ASSIGNMENT: This agreement will be binding upon, and will inure to the benefit of, the parties hereto and their respective successors and permitted assigns. Producer may assign its rights to payment of monies. Distributor may not assign its rights without the prior written consent of Producer, provided that nothing herein will prevent Distributor from assigning its rights to a successor company that may arise from Distributor merging, being acquired, or partnering with another company.

21. ARBITRATION AND JURISDICTION: This Agreement shall be interpreted in accordance with the laws of the Commonwealth of Massachusetts, applicable to agreements executed and to be wholly performed therein.

22. ENTIRE AGREEMENT: This Agreement is intended by the parties hereto as a final expression of their Agreement and understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms thereof (unless amended in writing by both parties) and supersedes any and all prior and contemporaneous agreements and understanding thereto. This Agreement will be understood in all respects to lay under the jurisdiction of Massachusetts law and the laws of the United States of America.

In the event of any conflict or action between the parties, the prevailing party shall be entitled to recoup its reasonable attorneys' fees and court costs and expenses from the non-prevailing party.

Paragraph headings in this Agreement are used for convenience only and will not be used to interpret or construe the provisions of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date hereof.

[DISTRIBUTION COMPANY NAME]

By: _____

Its: _____

ACCEPTED AND AGREED:

[NAME OF AUTHORIZED OFFICER OF COMPANY] on behalf of
[PRODUCTION COMPANY NAME]

EXHIBIT A

DELIVERY REQUIREMENTS

Delivery of the Picture shall consist of Producer making delivery, at Producer's expense, to either Distributor or a laboratory designated by Producer (with a lab access letter given to Distributor) for all the items set forth below.

I. PICTURE ITEMS:

1. VIDEOTAPE MASTER: A Videotape master of the original motion picture and television version thereof, meeting the specifications set forth in Section III of this Exhibit.

II. DOCUMENTATION:

1. MUSIC CUE SHEETS: Two (2) copies of a music cue sheet showing the particulars of all music contained in the Picture, including the sound equipment used, the title of each composition, names of composers, publishers, and copyright owners, the usages (whether instrumental-visual, vocal, vocal-visual, or otherwise), the place and number of such uses showing the footage and running time for each cue, the performing rights society involved, and any other information customarily set forth in music cue sheets.

2. COPYRIGHT INFORMATION: Upon Distributor's request, information as to the copyright proprietor(s) of the Picture and appropriate copyright notice to be affixed to reproductions of the Picture and packaging of such reproductions, as well as copies of all copyright registrations, assignments of copyrights, and/or copyright licenses in Producer's possession (or in the possession of Producer's agents or attorney) pertaining to the Picture or any component element thereof (including, but not limited to, copies of all synchronization and performance licenses pertaining to music contained in the Picture).

3. CHAIN OF TITLE: Upon Distributor's request, copies of all certificates of authorship, licenses, contracts, assignments, and the written permissions from the proper parties in interest, establishing Producer's "Chain of Title" with respect to the Picture and all elements thereof and permitting Producer and its assigns to use any musical, literary, dramatic, and other material of whatever nature used by Producer in the Production of the Picture. "Chain of Title" materials must be suitable for filing with the United States Library of Congress and reasonably suitable to Producer's primary lender indicating that Grantor has full right, title, and interest in and to the Picture and all underlying property.

4. SCREEN CREDIT OBLIGATIONS: A copy of the screen credit obligations for all individuals and entities affiliated with the Picture.
5. PAID AD CREDIT OBLIGATIONS: A copy of the Paid Advertising Credit obligations for all individuals and entities affiliated with the Picture.
6. BILLING BLOCK: A copy of the approved credit block to be used in paid advertising of the Picture.
7. NAME AND LIKENESS RESTRICTIONS: A copy of all name and likeness restrictions and/or obligations pertaining to all individuals and entities affiliated with the Picture.
8. TALENT AGREEMENTS: If requested, a copy of all contracts with the cast, director(s), cinematographer(s), screenwriter(s), producer(s), and author(s) (or other owner of the underlying material, if applicable).
9. CERTIFICATE OF ORIGIN: One (1) Certificate of Origin of the Picture.
10. MUSIC LICENSE AND COMPOSER AGREEMENT: Copies of Music Licenses (synchronization and mechanical and composer's agreement).
11. PUBLICITY AND ADVERTISING MATERIALS:
 - a) IMAGES: At least ten (10) color and/or black-and-white digital still images, of the highest possible quality up to 300dpi, depicting different scenes from the Picture, production activities, and informal poses, the majority of which depict the principal members of the cast. A notation identifying the persons shall accompany each image, and events depicted, and shall be suitable for reproduction for advertising and publicity purposes. Where a player has still approval, Producer shall furnish Distributor with only approved photos and shall provide an appropriate written clearance from the player.
 - b) SYNOPSES: One (1) copy of a brief synopsis in the English language, and in such other language as such synopsis exists, of the story of the Picture.
 - c) STATEMENT OF CREDITS: The statement of credits applicable to the Picture, including verification of the writing credits by the appropriate Writers Guild and photocopy excerpts of all Producer's obligations (taken from the actual contract) to accord credit on the screen, in advertising, and on recordings, and excerpts as to any restrictions as to use of name and likeness.
 - d) CAST: One (1) copy of a list indicating the name of the character portrayed by each player.

e) CREW: One (1) copy of a list indicating each member of the crew and his/her function.

f) TITLES: One (1) typewritten list of the main credits and end titles of the Picture.

g) MISCELLANEOUS: At least one (1) copy of all advertising materials, if any, prepaid by Producer or by any other party in connection with the Picture, and art elements and transparencies necessary to make proofs thereof.

h) WEB SITE MATERIALS: Artwork, text, bios, and any other background material needed by Distributor to market the Picture on its web site.

12. FINAL SHOOTING SCRIPT: If requested, one (1) copy of the final shooting script of the Picture.

13. MPAA RATING CERTIFICATE: It is understood that the Picture neither received nor applied for an MPAA rating. If and when it becomes necessary to receive an MPAA Rating, Producer shall make application for the rating, and recoup expense from sales/licensing revenues.

14. TITLE REPORT: One (1) current (no more than 60 days old) title report showing that the title of the Picture is available for use without infringing any other person's or entity's rights.

15. COPYRIGHT REPORT

16. COPYRIGHT CERTIFICATE: Two (2) U.S. Copyrights (stamped by the Library of Congress). If the copyright application has not yet been received from the Library of Congress, then Producer shall deliver a copy of the Form PA application, along with a copy of the cover letter and two (2) copies of the Copyright Certificate to Distributor when received from the Library of Congress.

III. VIDEO SPECIFICATIONS:

1. TYPE OF VIDEOTAPE: The Master Videotape of the Picture and the television version are to be of broadcast quality MiniDV NTSC-format tape. A master, full-quality QuickTime Movie file (.MOV) can be submitted instead of a Master Videotape.

2. VIDEO SPECIFICATIONS:

a) Peak Luminance must not exceed 100 IRE.

b) Pedestal level must be 7.5 IRE for all signals.

- c) Peak chrominance level must not exceed 110 IRE.
- d) Color burst must be present at all times, including stereochrome recordings.
- e) Color subcarrier phase must be continuous across edits (color frame edits).
- f) Stability is requested in both sync and control-track signals.
- g) Great care must be taken to achieve the highest possible video S/N (SNR).
- h) Video signal timings must meet EIA standards.

3. AUDIO SPECIFICATIONS:

- a) The Picture must be recorded in stereo.
- b) The Audio recording level must be well balanced between the two VTR channels.
- c) There will be no audio modulation during "run out."
- d) Great care must be taken to achieve the highest possible audio S/N ratio.
- e) Channel 1 of video masters shall contain stereo left of the final soundtrack, and channel 2 shall contain stereo right of the final soundtrack.

4. QUALITY CONTROL REQUIREMENTS: Distributor may, at its own option and its own cost, perform one quality-control test on each element supplied by Producer. Producer shall be liable for the cost of all quality-control tests after the initial quality-control test of all elements replaced because of failure to conform to Distributor's technical quality requirements.