

LICENSE AGREEMENT

AGREEMENT between BULLFROG FILMS, INC. (hereinafter "Bullfrog") and the customer ("Customer") named on the front side of the Order Confirmation, and Invoice between Bullfrog and Customer ("Invoice"), wherein Bullfrog grants Customer and Customer accepts from Bullfrog the limited license to exhibit the programs identified on the front side of the Invoice (the "Program" or "Programs") in accordance with the following terms and conditions. Customer agrees to these terms and conditions by accepting delivery of any Program whether on videocassette, DVD, 16mm film, videodisc, or any other medium from Bullfrog Films. Customer acknowledges that the Programs may not be utilized in any manner other than as specified herein and in no event shall the Programs be exhibited before an audience where admission is charged for the viewing of the Programs, without prior written consent from Bullfrog. With the exception of public libraries lending programs to their authorized cardholders, and schools lending programs to students and their families, CUSTOMER SHALL NOT SUBLICENSE, SUBLEASE, RENT, SELL OR OTHERWISE PART WITH THE POSSESSION OF THE PROGRAMS secured by Customer hereunder to any third parties. Nor may any fund-raising use of the Programs be made without previous authorization from Bullfrog. Nothing herein shall derogate from any rights of Bullfrog or any other copyright proprietor(s) of the Programs under the United States Copyright Law.

1. **RIGHTS** For the Program price identified on the front side of the Invoice, Customer has the right to exhibit the Programs to a limited number of viewers where all viewers, projector, or monitor(s) and playback unit are in the same room ("in-room use"). Such exhibition shall be in accordance with the Arrangement indicated on the front side of the Invoice and during the period applicable thereto. CUSTOMER ACKNOWLEDGES THAT THE PROGRAMS MAY NOT BE DUPLICATED, DIGITIZED OR TRANSFERRED TO ANY OTHER MEDIUM OR FORMAT, BROADCAST, TRANSMITTED BY CABLE, OR OTHERWISE TRANSMITTED, ON ANY MULTI-RECEIVER OR CLOSED CIRCUIT SYSTEM, unless otherwise specified herein or agreed to by Bullfrog in writing.

2. ARRANGEMENTS

a. **Purchase.** "Purchase" shall mean the release of the Programs by Bullfrog to Customer for use during the life of the exact videocassette, DVD, 16mm film, videodisc, or other medium delivered by Bullfrog to Customer.

b. **Site License.** "Site License" shall mean the release of the Programs by Bullfrog to Customer for use in a single K-12 school during the life of the exact videocassette, DVD, 16mm film, videodisc, or other medium delivered by Bullfrog to Customer.

c. **Rental.** "Rental" shall mean the release of the Programs by Bullfrog for use during the period beginning on the "Play Date" and ending on the "Ship Back on or Before" date as indicated on the front side of the Invoice.

d. **Preview.** "Preview" shall mean the release of the Programs by Bullfrog for evaluation with intent to purchase by funded media buyers in nonprofit institutions only, during the period beginning on the "Play Date" and ending on the "Ship Back on or Before" date as indicated on the front side of the Order Confirmation

e. **Duplication License.** "Duplication License" shall mean the release of the Programs for duplication by Customer for use during the period listed on the front side of the Invoice. Under this Arrangement, a master

tape will be shipped or mailed to Customer and all other materials for duplication shall be supplied by Customer. No duplication of copies beyond the number listed on the front side of the Invoice is permitted unless prior written approval is obtained from Bullfrog. At the end of the period listed on the front side of the Invoice, Customer will erase or destroy copies and send notice in writing to Bullfrog that this has been done, unless the duplication license is renewed in another Bullfrog Agreement.

f. **Home Use Sale.** "Home Use Sale" shall mean the release of the Programs to Customer for Customer's personal use or with friends or family only. NO PUBLIC PERFORMANCE OF THE PROGRAMS IS PERMITTED, except that permitted under the "face-to-face" exemption (Section 110 (1)) of the U.S. Copyright Law. A public performance is any performance which occurs outside of the home, or at any place where people are gathered who are not family members, such as in a school, library, business or group meeting.

3. **PAYMENTS** Customer shall pay to Bullfrog at the address noted below the following sums in the manner and at the times specified, time being of the essence for all such payments.

a. The price for the Programs as set forth on the front of the Invoice, and

b. Any and all taxes, fees, or other like charges billed against Bullfrog and imposed, levied, or assessed upon the delivery, possession, exhibition, or any use of the Program, upon the grant or exercise of any rights hereunder, or upon the sum payable by Customer to Bullfrog pursuant hereto, if any, and

c. All other charges specified on the front of the Invoice, including but not limited to late charges, charges for damage to videocassettes, DVDs, 16mm films, videodiscs, or other media, cancellation fees, and rush order service charges.

4. **TERM OF AGREEMENT** The term of this Agreement with regard to each of the Programs shall commence as of the date each Program is delivered to Customer and shall continue for the applicable Arrangement period pursuant to Paragraph 2 above.

5. **DELIVERY** With respect to rentals, Bullfrog shall at Customer's expense deliver a videocassette, DVD, videodisc, or 16mm film print of each Program, as specified by Customer, to Customer. Bullfrog will use reasonable efforts to mail or ship the Programs to Customer in the time normally required for the Programs to reach Customer by the "Play Date," as confirmed by Bullfrog. The Program shall be deemed in satisfactory condition for exhibition unless Customer immediately after inspection thereof notifies Bullfrog to the contrary specifying the nature of the defect. Bullfrog shall not be in breach of the Agreement for failure to deliver any of the Programs by the "Play Date" and shall not be liable for incidental or consequential damages.

6. **RETURNS** With respect to rentals and previews, unless otherwise instructed, Customer shall return by the "Ship Back on or Before" date on the front of the Invoice each of the Programs in the containers originally provided by Bullfrog, by First Class Mail, Parcel Post or UPS insured in the same condition as when received by Customer, normal wear and tear due to proper use excepted. Items being returned must be sent to the authorized RETURNS address, and be accompanied by the original packing slip, to avoid being charged full price for purchase of the program. Videocassettes and DVDs shall be insured for \$50.00 and 16mm prints for \$300.00. For each day's delay in depositing any rented Program for return with the Post Office or UPS as set forth,

Customer shall pay to Bullfrog 50% of the rental price paid or payable to Bullfrog as indicated on the front of the Invoice.

7. **REPLACEMENT** Customers renting or previewing the Programs shall pay to Bullfrog the replacement cost of any videocassettes, DVDs, videodiscs, or any other medium including 16mm prints, reels, or containers, lost, stolen, destroyed or injured other than through normal wear and tear on the correct projection device or playback system in the interval between delivery to Customer and return by Customer. Such payment shall not transfer title to or any interest in the Programs to Customer or to any other party. Customer shall immediately notify Bullfrog in writing of the loss, theft, injury or destruction of any of the Programs.

8. **ALTERATIONS** Customer shall exhibit each Program in its entirety only. Customer shall not cut or alter the Programs or otherwise tamper therewith and in no event shall the Programs be exhibited without the complete copyright notices and/or credits contained therein.

9. **WARRANTIES OR REMEDIES** Bullfrog warrants that each Program shall be free from defects in material and workmanship at the time of delivery. In the event of Bullfrog's breach of such warranty, or Customer's dissatisfaction with program content, Customer's exclusive remedies shall be that Bullfrog will replace the defective or unwanted Program(s), or exchange the defective or unwanted Program(s) for different Programs that are equal in purchase price, provided Customer returns said defective or unwanted Program(s) to Bullfrog. NO OTHER WARRANTY EXPRESS OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY, SHALL APPLY TO ANY PROGRAM HEREUNDER. Bullfrog shall have no other liability and Customer shall have no other remedy, except as specifically provided in this Paragraph; and in no event shall Bullfrog be liable for any consequential damages. The terms and conditions of this Agreement shall apply to any replacement Program(s) furnished.

10. **RESERVATION OF RIGHTS** Legal title to the Programs shall at all times remain in Bullfrog and all rights therein are reserved to Bullfrog. The term "purchase" as used herein means only the right and license for Customer to use and reuse the Programs without limitation as to the number of uses or reuses, but without any change in ownership or title and otherwise subject to the terms and conditions of this Agreement.

11. **DEFAULT** If Customer defaults hereunder:

(a) Bullfrog, in addition to other remedies, may repossess any Program previously delivered hereunder; and/or

(b) Bullfrog may refuse to take any further orders from Customer and may refuse to make further shipment of Programs to Customer; and/or

(c) Customer agrees to pay Bullfrog's costs and expenses of collection and/or repossession including the maximum attorney's fees allowed by law.

12. **ASSIGNMENT** This Agreement shall not be assignable by Customer.

13. **INTERPRETATION** This Agreement sets forth the entire and complete agreement and understanding between the parties. This Agreement is made in Pennsylvania and shall be construed and enforced in accordance with the laws of Pennsylvania. A waiver by Bullfrog of any breach or default by Customer shall not be construed as a waiver of any other breach or default by such Customer.

CORRESPONDENCE and ORDERS to:

Bullfrog Films
P.O. Box 149
Oley PA 19547

ALL RETURNS must be shipped to either:

Bullfrog Films
Fulfillment Center
P.O. Box 862
Armonk NY 10504

or, freight address:

Bullfrog Films - returns
c/o CineMagnetics
100 Business Park DR
Armonk NY 10504