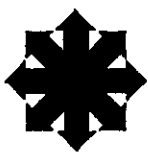


Renewal



RECEIVED
DEPT. OF JUSTICE
June 20 7 12 PM '80
Modern Talking
Picture Service

June 25, 1979

REGISTRATION UNIT
CRIMINAL DIVISION

ITALIAN GOVERNMENT TRAVEL OFFICE
500 North Michigan Avenue
Suite 314
Chicago, Illinois 60611

Gentlemen:

C

In connection with our arranging for showings of your motion pictures, and all new films you may wish to place with us for distribution in the future, we propose the following terms, which together with provisions itemized on the attached printed sheet shall constitute the entire agreement between us.

O

We shall arrange for showings to associations, organizations, groups, travel agencies and schools; television stations and motion picture theatres.

Showings will be limited to audiences in the following states:

- | | | |
|----------|--------------|--------------------|
| Illinois | Michigan | South Dakota |
| Indiana | Minnesota | Ohio |
| Iowa | Missouri | Wisconsin |
| Kentucky | Nebraska | Wyoming |
| Kansas | North Dakota | |

P

We will furnish at our expense promotion material for use in announcing the films and for securing arrangements for their showing.

Y

At your request we will send an advance notice of each booking to you. It is understood that we may arrange desirable bookings on short notice that will not allow actual delivery of the advance notice before the playdate. For each of the bookings we make and serve under the conditions of this agreement, we will bill you at the following rates:

COMMUNITY GROUP DISTRIBUTION

To associations, organizations, groups, travel agencies and schools throughout the midwest.

\$5.00 per completed booking, plus delivery charges with a 50¢ discount on each booking after the first 100 each month.

GENERAL TERMS

PRINTS: Prints placed with us shall be supplied FOB our various offices serving the territory within which the prints are to be circulated. Prints may be supplied to a single office for forwarding at a charge of 50¢ per prints plus transportation cost. Prints shall include any media, now in existence, or devised in the future, for the storage and subsequent exhibition of sound moving pictures, including but not limited to photographic film, magnetic tape, disk, etc., and your permission is granted to us to transfer, or cause to be transferred at our expense, and at our option, complete copies of photographic prints to such other media. Distribution and exhibition of such copies will be under the same terms as those governing the distribution and exhibition of photographic prints.

PRINT SHIPMENT: We will ship prints in time to accommodate scheduled bookings. Returned prints will be inspected, cleaned and minor repairs made as necessary. Booking schedules are based on our best knowledge of required print shipping times and on the assumption that borrowers will return prints promptly.

SHOWING REPORTS: We will obtain reports from the organizations which show the prints. These showing reports will be consolidated into a monthly summary report and sent to you together with a statement of shipments scheduled for future dates and shipments made but not yet reported.

PRINT REPAIR: If, during inspection, we find that prints have become worn or damaged so that they will no longer provide satisfactory showings, we will discard those prints. Any other disposition of damaged prints will be at your instruction, and you will reimburse us our out-of-pocket cost for such disposition. Damaged prints stored at your instruction will be subject to a monthly charge of \$0.25 each. We will store and apply without additional charge replacement prints and standard opening and closing sections supplied by you. We will submit quarterly reports of print inventory status and replacement needs.

Prints that are returned to us and not provided with your prints become

**TERMINATION
& CANCELLATION:**

It is understood that booking commitments will be made as much as eleven months ahead of scheduled showing dates.

It is further understood that all booking commitments which have been confirmed to film exhibitors at the time you indicate your intention to terminate distribution of a film, and within seven days thereafter, will be honored and served by us and paid for by you at the full booking rates agreed to herein, under your choice of one of the following options:

Option A - We will continue to serve scheduled bookings, collect show report cards from exhibitors, and submit monthly certification reports and invoices until all bookings are reported or until 18 calendar months after receipt of your notice of termination, whichever occurs first.

Option B - For one calendar month following receipt of your termination notice we will collect show report cards from exhibitors and we will submit our invoice, at regular rates quoted herein, for 85% of all bookings scheduled for dates later than in the month during which your termination notice is received, and for 75% of all other bookings which have not previously been reported and invoiced to you. We shall continue to serve scheduled bookings but we shall be under no obligation to furnish further reports to you and you shall have no further liability with respect to such bookings, other than for extra charges incurred by us at your specific direction.

Option C - Should you find it necessary to have us cancel confirmed bookings for any reason, including withdrawal of scheduled prints at your order, it is agreed that you shall pay us \$2.25 for each booking so cancelled to cover cost of original order processing, except that if you provide an alternate film, to be used in place of the cancelled film, this charge will not apply. This shall not affect your liability for bookings already served up to the time of cancellation; you may elect Option A or B, for payment for such bookings.

Prints of terminated films will be returned to you within 90 days of the time they are no longer needed to serve scheduled bookings (under Option C this would be 90 days from the date of cancellation, under Option A & B the timing would depend on the volume of commitments on hand) unless you direct otherwise. Copies made at our expense and at our option will be destroyed, erased, or otherwise rendered unusable at no cost to you. Prints not returned to you or otherwise disposed of at your direction 90 days after they are no longer needed to serve scheduled bookings will be stored at a cost to you of \$0.30 per print per month. You will reimburse us for any costs we incur in following your disposition instructions.

We will use our best efforts to submit invoices for cases, extra delivery and miscellaneous charges incurred for discontinued films in a timely manner, however, it is understood that such charges may be invoiced to you as late as the end of the calendar quarter during which a film terminates.

Collateral material associated with terminated programs will be stored at a cost to you of \$0.50 per square foot of warehouse space per month.

INDEMNIFICATION:

You shall, at your own cost, indemnify, defend and hold us and our licensees booking and showing your motion picture harmless from any claim or demand which may be made or asserted against us or said licensees by reason of any claim of violation or infringement of the trademark, tradename, copyright, literary, artistic, dramatic, personal, private, civic or property right, or the right of privacy of any individual, firm, corporation or association, and we shall have the right to participate in the defense of any action or actions brought in connection therewith. Neither of us shall be liable for any act, delay or omission occasioned by an Act of God or the public enemy, or by riot, insurrection, strikes, labor disturbances, or by any failure or delay by any transportation company or agency for any act, delay or omission not due to the personal negligence of either of us.

**FOREIGN
DISTRIBUTION:**

Prices quoted for distribution outside the United States will be in the currency of the countries within which our service is provided. Payment may be made in U.S. funds at the currency exchange rates in effect at the time of each payment.