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AGREEMENT BETWEEN THE MINISTER OF CULTURE, COMMUNICATIONS
AND THE STATUS OF WOMEN OF QUÉBEC
AND THE MOTION PICTURE ASSOCIATION OF AMERICA, INC.
CONCERNING THE DISTRIBUTION OF FILMS FOR PUBLIC
PRESENTATION

AGREEMENT entered into at Québec, on January 28, 2008

BETWEEN: THE MINISTER OF CULTURE, COMMUNICATIONS AND THE STATUS OF WOMEN OF QUÉBEC, M^{me} Christine St-Pierre, duly authorized to act for these purposes as she so declares;

(hereinafter "the Minister")

AND: THE MOTION PICTURE ASSOCIATION OF AMERICA, INC. AND ITS MEMBERS, herein acting and represented by Mr. Dan Glickman, Chairman and Chief Executive Officer of the Association, duly authorized to act for these purposes as he so declares;

(hereinafter "M.P.A.A." and "Members", respectively)

WHEREAS the Minister of Culture, Communications and the Status of Women of Québec is responsible for the elaboration and application of the film policy of the Government of Québec, as provided in the Cinema Act (R.S.Q. c. C-18.1);

WHEREAS the National Assembly of Québec has manifested its will by the Cinema Act (R.S.Q. c. C-18-1) to ensure the development of a healthy film industry in Québec;

WHEREAS the Minister of Culture, Communications and the Status of Women of Québec considers that Québec film distributors must have access to films originating from all parts of the world;

WHEREAS the Minister of Culture, Communications and the Status of Women of Québec and the Motion Picture Association of America, Inc. (M.P.A.A.) have agreed to enter into an agreement concerning the distribution of films for public presentation, whether in theatres or elsewhere;

WHEREAS section 105.1 of the Cinema Act (R.S.Q. c. C-18.1) empowers the Minister of Culture, Communications and the Status of Women of Québec to enter into an agreement with the M.P.A.A., concerning the distribution of films;

WHEREAS on October 22, 1986, an initial agreement was signed with the Motion Picture Export Association of America (M.P.E.A.A.), now known as the Motion Picture Association, a subsidiary of the M.P.A.A.;

WHEREAS the Parties to this agreement agreed to extend this initial agreement until January 31, 1992;

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WHEREAS a second agreement was signed on January 20, 1992 to end at midnight on December 31, 1999;

WHEREAS a third agreement was signed on December 10, 1999 to end at midnight on December 31, 2001 and the Parties agreed to extend this third agreement until January 31, 2002;

WHEREAS a fourth agreement was signed on January 29, 2002 to end at midnight on January 31, 2006 and the Parties agreed to extend this fourth agreement until January 31, 2008.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. No film produced in the French language shall be distributed in Québec by a Member.
2. A Member may, however, distribute in Québec a film produced in a language other than French and English where:
 - i. a Member has invested one hundred percent (100 %) of the negative production costs in that film;

or

- ii. the Minister of Culture, Communications and the Status of Women of Québec has asked the Régie du cinéma du Québec to issue to a Member a special distributor's licence for the distribution of a film.

Such a request shall be granted at the discretion of the Minister of Culture, Communications and the Status of Women of Québec if it is shown to her satisfaction that this request is justified with regard to the importance of the investment made by that Member in this film.

3. A Member may distribute in Québec a film produced in the English language where it is either:
 - i. the holder of world distribution rights in that film, namely holder of distribution rights for Canada, the United States, the members countries of the European Union, Japan, Australia and New Zealand, excluding, however the country of origin of the film;

or

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- ii. the producer of the film. To establish its status as producer of the film, the Member must file with the Régie du cinéma du Québec an affidavit attesting that it has already invested and/or advanced or expects to invest and/or advance fifty percent (50%) of the total value of the funds invested in that film, or, at its option, the sum of eighteen million Canadian dollars (\$18,000,000).
4. Notwithstanding paragraph 3, no Member shall distribute in Québec a film produced in the English language unless it holds the distribution rights for public presentation for that film in the United States.
5. Any Member may distribute in Québec the films of another Member, provided that one or both of them together meet the criteria established in paragraphs 3 and 4 of this agreement.
6. The words "total value of the funds invested" used in subparagraph 3 (ii) include the negative production costs, negative pick-up costs, and costs for distribution, advertising, publicity and promotion of the film.
7. For the purposes of subparagraph 3 (ii), the exchange rate between the Canadian dollar and American dollar shall be that set by the Bank of Canada, as of noon on the date this agreement is entered into.
8. Only the Members in good standing of the M.P.E.A.A. as of January 1, 1987 may benefit from this agreement.
9. "Member" or "Member in good standing" also includes its successors, its subsidiaries, entities under its direct or indirect control, entities belonging to the same control group, and any other entity continuing the distribution business of an original Member.
10. This agreement shall be valid from February 1, 2008 until January 31, 2013. It shall be renewed for an additional two-year period unless one of the Parties notifies the other Party no later than January 31, 2012 of its intention of not renewing the agreement; in which case, the two Parties agree to begin an agreement renegotiation process. In the absence of such notice, the Parties agree to begin the agreement renegotiation process no later than January 31, 2014.
11. The Parties agree that, in the event that during the term of this agreement they agree to modifications, they will replace this agreement with a new agreement incorporating such modifications.

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12. The Parties hereby agree to entrust the Régie du cinéma du Québec with the application of this agreement.
13. Where a Member fails to execute one or more of its obligations hereunder, as determined by a decision of the Régie du cinéma du Québec and subject to the appeal therefrom provided for in the Cinema Act, the Minister reserves the right to exclude that Member, by means of a written notice to that effect, which notice shall become effective sixty (60) days from the date of its mailing.
14. The preamble shall form an integral part of this agreement and is intended to assist in explaining its purport and object.
15. In the case of a difference between the French and English texts of this agreement, the French text shall prevail.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE EXECUTED
THIS AGREEMENT AT THE DATE AND PLACE HEREINABOVE SET
FORTH.

THE MINISTER OF CULTURE,
COMMUNICATIONS
AND THE STATUS
OF WOMEN OF QUÉBEC

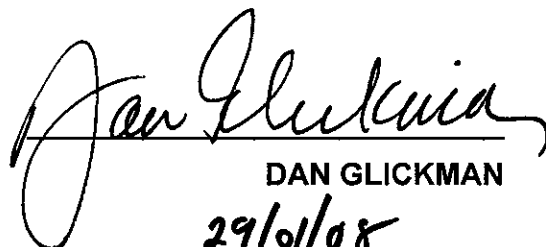


CHRISTINE ST-PIERRE

28/01/08

THE MOTION PICTURE
ASSOCIATION OF AMERICA, INC.
AND ITS MEMBERS

By:



DAN GLICKMAN

29/01/08

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