

AGREEMENT between LESS Productions (hereinafter "LESS") and the customer ("Customer") named on the front side of the Order Confirmation, and receipt between LESS and Customer ("Receipt"), wherein LESS grants Customer and Customer accepts from LESS the limited license to exhibit the program identified on the front side of the Receipt (the "Program") in accordance with the following terms and conditions. The Customer's license is limited to the terms specified herein and those memorialized in the Receipt, which is hereby incorporated by reference.

Customer agrees to these terms and conditions by accepting delivery of the Program on DVD, videocassette, Beta SP, 16mm film, video disc, or any other medium from LESS (all mediums hereinafter referred to as "DVD"). Customer acknowledges that the Program may not be utilized in any manner other than as specified herein. 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. Nothing herein shall derogate from any rights of LESS under the United States Copyright Law.



1. **RIGHTS** For the Program price identified on the front side of the Receipt, Customer has the right to exhibit the Program 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 Receipt 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 with the express written consent of LESS. Further, except for any express license(s) granted herein, no other license to the PROGRAM is granted by implication, estoppel or otherwise.
2. **ARRANGEMENTS**
 - a. **Purchase.** "Purchase" shall mean the release of the Program by LESS to Customer for use during the life of the exact DVD delivered by LESS to Customer.
 - b. **Site License.** "Site License" shall mean the release of the Program by LESS to Customer for use in a single K-12 school or public library during the life of the exact DVD delivered by LESS to Customer.
 - c. **Commercial Site License.** "Commercial Site License" shall mean the release of the Program by LESS to Customer for use in a commercial rental distribution environment for the life of the exact DVD delivered by LESS to Customer.
 - d. **Rental.** "Rental" shall mean the release of the Program by LESS 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 Receipt.
 - e. **Preview.** "Preview" shall mean the release of the Program by LESS for evaluation with intent to purchase by funded media buyers, 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.
 - f. **Home Use Sale.** "Home Use Sale" shall mean the release of the Program to Customer for Customer's personal use or with friends or family only. NO PUBLIC PERFORMANCE OF THE PROGRAM 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.
 - g. **Public Showing License.** "Public Showing License" shall mean the release of the Program by LESS to Customer for use in a public showing of the Program. The right of Customer to publicly show the Program is limited as set forth in the Receipt.
3. **PAYMENTS** Customer shall pay to LESS 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 Program as set forth on the front of the Receipt, and
 - b. Any and all taxes, fees, or other like charges billed against LESS 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 LESS pursuant hereto, if any, and
 - c. All other charges specified on the front of the Receipt, including but not limited to late charges, charges for damage to DVDs, cancellation fees, and rush order service charges.
4. **TERM OF AGREEMENT** The term of this Agreement with regard to the Program 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, LESS shall at Customer's expense deliver a DVD of the Program, as specified by Customer, to Customer. LESS will use reasonable efforts to mail or ship the Program to Customer in the time normally required for the Program to reach Customer by the "Play Date," as confirmed by LESS. The Program shall be deemed in satisfactory condition for exhibition unless Customer immediately after inspection thereof notifies LESS to the contrary specifying the nature of the defect. LESS shall not be in breach of the Agreement for failure to deliver the Program 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 Receipt each of the Programs in the containers originally provided by LESS in the same condition as when received by Customer, normal wear and tear due to proper use excepted. Items being returned must be sent

LESS PRODUCTIONS

d i g i t a l m i x e d m e d i a

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to the authorized returns address, and be accompanied by the original packing slip, to avoid being charged full price for purchase of the Program. For each day's delay in depositing any rented Program for return with the USPS, UPS, DHL or FedEx as set forth, Customer shall pay to LESS 50% of the rental price paid or payable to LESS as indicated on the front of the Receipt.

7. **REPLACEMENT** Customers renting or previewing the Program shall pay to LESS the replacement cost of DVDs 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 LESS in writing of the loss, theft, injury or destruction of any of the Program.
8. **ALTERATIONS** Customer shall exhibit each Program in its entirety only, unless otherwise specified on the Receipt or with the express written consent of LESS. Customer shall not cut or alter the Program or otherwise tamper therewith and in no event shall the Program be exhibited without the complete copyright notices and/or credits contained therein. Customer has no right to modify, edit, alter, transform, or create derivative works based upon the content of the Program. Customer may not remove, modify, or obscure any copyright or proprietary notices that might appear in or with the Program.
9. **WARRANTIES OR REMEDIES** LESS warrants that each Program shall be free from defects in material and workmanship at the time of delivery. In the event of LESS's breach of such warranty, Customer's exclusive remedy shall be that LESS will replace the defective Program(s), provided Customer returns said defective Program to LESS. NO OTHER WARRANTY EXPRESS OR IMPLIED, INCLUDING THE WARRANTY OF MERCHANTABILITY, SHALL APPLY TO ANY PROGRAM HEREUNDER. LESS shall have no other liability and Customer shall have no other remedy, except as specifically provided in this Paragraph; and in no event shall LESS be liable for any consequential damages. The terms and conditions of this Agreement shall apply to any replacement Program furnished.
10. **RESERVATION OF RIGHTS** Legal title to the Program shall at all times remain in LESS and all rights therein are reserved to LESS. 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. **RECOGNITIONS** By entering into the Agreement, Customer consents that copyright of the PROGRAM rests solely in LESS. Customer thereby waives any present or future rights to assert that the copyright is not owned solely by LESS or is shared by LESS and any other party.
12. **DEFAULT** If Customer defaults hereunder:
 - a. LESS, in addition to other remedies, may repossess any Program previously delivered hereunder; and/or
 - b. LESS 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 LESS's costs and expenses of collection and/or repossession including the maximum attorney's fees allowed by law.
13. **ASSIGNMENT** This Agreement shall not be assignable by Customer.
14. **ASSIGNMENT BY LESS** In the event that LESS assigns rights to the Program, the rights and restrictions of the Customer under this Agreement continue toward the assignee and any future assignees.
15. **RESTRICTIONS ON PUBLICITY** LESS reserves the right to object to any publicity or advertising of the Program. Upon notification of objection, the Customer must cease and desist the publicity or advertising found objectionable by LESS. In such an event, Customer may maintain the license granted under the Agreement, or may, in good faith, opt to rescind the Agreement. If Customer opts to rescind, the Customer will be refunded all money paid commensurate with the unused portion of the license upon return of the Program to LESS at the Customer's expense. Under this section, LESS may object to publicity or advertising in the following exemplary, but not limiting, situations: the publicity or advertising is derogatory toward the Program or LESS, LESS finds the publicity or advertising to be anticompetitive with LESS's marketing efforts, the publicity or advertising is considered by LESS, in good faith, to interfere with LESS's sole rights to the Program or any tradename or trade dress associated therewith. The above list is a non-exhaustive exemplary list.
16. **INTERPRETATION** This Agreement, in conjunction with the incorporated Receipt, sets forth the entire and complete agreement and understanding between the parties.
17. **CHOICE OF LAW** This Agreement is made in Ohio and shall be construed and enforced in accordance with the laws of Ohio. In the event of a dispute wherein LESS does not exercise the Alternative Dispute Resolution rights set forth below, Customer also expressly consents to the jurisdiction of the state and/or federal courts in the state of Ohio, and recognizes said courts as the sole courts having jurisdiction over all actions and proceedings arising out of or relative directly or indirectly to this agreement. Customer further agrees that venue is proper in said courts. Customer also consents to service of process made at the Customer address listed on the Receipt, unless Customer notifies LESS of any changes in address. A waiver by LESS of any breach or default by Customer shall not be construed as a waiver of any other breach or default by such Customer.
18. **ALTERNATIVE DISPUTE RESOLUTION** In the event of a dispute arising under this Agreement, LESS, in their sole discretion, reserves the right to resolve any such disputes using a binding arbitration at a location selected by LESS. The arbitration shall consist of a three arbitrator panel, the first selected by LESS, the second selected by Customer, and the third selected by the first and second arbitrators. In the event that LESS is successful in the dispute, Customer will pay all legal fees incurred by LESS in handling the dispute.



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