

This Distribution Deal Memo made this 26th day of April, 2005

BETWEEN: Film Watch Inc.
175 Bloor St. East, South Tower, Suite 1101, Toronto, Ontario M4W 3R8
Phone (416) 363-6060 Fax (416) 363-2305

(Hereinafter referred to as the "Distributor")

AND: Neil Oseman dba/Jigawatt Pictures
21 Belmont Close
Cockfosters, London
EN4 9LS UK
Email: hair2@blueyonder.co.uk

(Hereinafter referred to as the "Producer")

The parties agree as follows:

Grant of Rights

Producer hereby grants to Distributor, with respect to the Term and the Territory set out below, the exclusive distribution and exhibition rights in all media now known or devised later including, but not limited to Theatrical, and Non Theatrical rights, Video/DVD rights, rights pertaining to all forms of Television syndicated or non syndicated, ancillary rights, and all kinds of internet rights pertaining to the feature film entitled "SOUL SEARCHER" (the "Picture") a film by Neil Oseman, shot in Mini DV.

Territory: The World excluding U.K.

Term: Commencing immediately and expiring 25 years from the Date of Complete Delivery.

Delivery: Producer shall effect delivery of the Picture to Distributor ("Delivery") immediately and no later than June 1st, 2005. Producer shall make physical delivery or provide access to Distributor of the delivery materials listed in the attached Schedule "A". A representative of Distributor shall identify all the materials which are required immediately for presence at the upcoming market and provide a list of those required materials to the Producer. Distributor shall have 30 business days from Date of Delivery of all materials to determine the technical acceptability of each item. "Date Of Complete Delivery" is the date when Distributor has received and/or procured, in acceptable quality, all of the delivery items listed in Schedule "A". Producer shall also make best efforts to deliver a high definition master. If Producer is unable to deliver a high definition master or any other delivery materials required under Schedule "A", Distributor, at its option may either create those materials and recoup the costs from the Gross Receipts in the first

position, in which case these costs shall be recouped in addition to any cap pertaining to distribution expense, or may terminate the agreement with notification to the Producer. The Agreement, otherwise, is not subject to termination.

Minimum Guarantee (“ Advance”)

Distributor agrees to pay Producer Fifteen thousand dollars (\$15,000.00 USD) as a Minimum Guarantee of Producer’s share of Gross Receipts payable 20% on signing of this agreement and approval of Chain of title. The remaining 80% balance will be on complete delivery and acceptance, in terms of technical specifications, of all the items noted under Schedule “ A”.

Distribution Fees, Expenses and Reporting

Distributor shall be entitled to a distribution fee of 25% of gross receipts net of withholding tax from exploitation of the Rights.

Distributor shall also be entitled to distribution expenses to a maximum cap of U.S. \$ 75,000.00 excluding deliverables, unless additional expenses are approved in writing by Producer, which approval will not be unreasonably withheld (“Distribution Expenses”). Distribution Expenses mean out-of-pocket costs incurred by the Distributor, directly or indirectly, in specific connection with distribution, promotion, and marketing of the Picture including any costs which can reasonably and proportionately be allocated to the Picture in accordance with normal accounting practices of the motion picture industry.

Gross receipts shall be disbursed in the following order: (1) Distributor’s fee (2) To recoup Distributor’s costs for creating or correcting any deficient materials as set forth above (3) Distribution Expenses (4) Balance to Producer

Distributor shall account to Producer and remit all revenues owing hereunder within 30 days of the end of each calendar quarter for the first two years of the Term and thereafter within 60 days of the end of the June and December of each year provided there are revenues on account of the Picture during the period. Producer shall have the right to inspect and audit or cause to be audited Distributor’s books and records with regard to the Picture, not more often than once a year. The cost of inspection or audit shall be borne by Producer unless a discrepancy of 5% or more, in terms of amount payable to the Producer, is revealed; in which case Distributor shall bear the costs of Audit.

Representations and Warranties

Producer warrants, represents and agrees that it is the holder of the copyright, and has the right to convey all of the rights, licenses and privileges granted herein; that it has not entered and will not enter into any agreement, commitment, arrangement or other grant of rights competing with, interfering with, affecting or diminishing any of the rights and licenses granted herein, and that the Picture, insofar as the Rights granted herein are concerned, are free and clear of any encumbrance

and do not infringe upon the rights of any party or parties whomsoever.

Distributor warrants that it will comply with all contractual credit obligations of Producer and Distributor shall take all commercially reasonable steps to prospectively remedy any error it makes with respect to such credits and that it will not make any changes in, additions to or eliminations from the content or continuity of the Picture, except insofar as may be required by law or the rulings of competent local censorship boards or for insertion of commercials, etc or other timing requirements for television broadcast.

General Terms

- (a) There shall be no cross-collateralization of revenues between this Agreement and any other agreement between Distributor and Producer or between one Picture licensed herein and another.
- (b) Distributor shall be entitled to add its standard logo and presentation credit to all prints or tapes of the Picture, posters, video sleeves and all promotional and advertising material.
- (c) Distributor shall be entitled to assign this Agreement and all obligations and rights hereunder provided that the assignee is a bona fide film distributor to the extent that such distributor assumes Distributor's obligations hereunder. Distributor shall give notice in writing of any such assignment.
- (d) The Distributor shall not alter the Film, the credit, or the copyright notice in any way unless required by the competent censorship authorities, for legal reasons or to meet broadcast time requirements, in which case the Owner shall be informed of any such alterations
- (e) The exclusive jurisdiction and venue for any disputes arising in connection with the execution and performance of this agreement shall be arbitration with the Independent Film & Television Alliance (IFTA) and such arbitration shall take place in Toronto, Canada.
- (f) Further Assurances - Either party hereto shall, at the request of the other, execute any documents or perform any act which is reasonably necessary to carry out the provisions of this Agreement. The parties contemplate entering into a long form distribution agreement but until such time as they do this deal memo and the delivery schedule attached shall be binding upon the parties.
- (g) Notices - Any notice or other communication pursuant to this Agreement required or permitted to be given in connection with this Agreement shall be given in writing and may be given by personal delivery, by courier, by registered mail or by fax addressed to the recipient at the address noted on the first page of this Agreement, or such other address as may be designated by notice by any party to the other in accordance with this paragraph. Any notice given by personal delivery or courier shall be conclusively deemed to have been given on the day of its delivery and, if given by registered mail, on the fifth day following its deposit in the mail and, if

given by fax, on the day of its transmittal.

(h) Waiver - No waiver by either party any of their respective rights under the provisions of this Agreement or of the breach of this Agreement shall constitute a waiver of any other such right or of the Agreement as a whole.

(i) Entire Agreement - This Agreement, including the schedules attached hereto, constitutes the entire agreement between the parties. No amendment to the Agreement shall be valid unless in writing and signed by both parties.

(j) Indemnification - The parties hereby agree to indemnify and hold each other harmless from and against any costs, claims or damages, including reasonable legal fees, arising, directly or indirectly from the production of the Co-production, the distribution of the Co-production, or from a breach or alleged breach by either party of any provision of this Agreement.

(k) Counterparts and Facsimile Execution - This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but this Agreement shall be constituted only by all such counterparts together. The parties hereto agree that the delivery of this Agreement executed by either party to the other party by means of facsimile or other similar electronic transmission and the communication by such means will be legal and binding on all parties.

NEIL OSEMAN DBA JIGAWATT PICTURES

By: _____

Name: _____

FILM WATCH INC.

By: _____

Name: _____

**DELIVERY MATERIALS
SCHEDULE "A"**

LEGEND: (To be entered by the Producer against each delivery elements noted below)

- Available = A (To be delivered by the Producer at own cost)
Not Available = N/A (If Cinemavault creates: These costs will be cost of delivery deficiencies or distribution expenses depending upon what material it is)
In Process = I.P. (To be delivered by the Producer at own cost)

1) VIDEO ELEMENTS

The following elements are to be delivered to Cinemavault physically as well as by way of an access letter from the lab where the masters are stored:

- a) HD Cam High Definition 23.98P Film Transfer of the Feature made directly from the 35mm Interpositive with a Stereo Original Language Mix on Channels 1&2 and a Stereo M&E on Channels 3&4 and the Trailer (if available) at the head of the picture and the Textless Backgrounds (if applicable) included after the picture.

The following Broadcast Quality Video Masters of the Feature are to be made either from the above HD Cam High Definition 23.98P Master or made directly from the 35mm Interpositive and are to have a Stereo Original Language Mix on Ch.1&2 and a Stereo M&E on Channels 3&4 and the Trailer (if available) at the head of the picture and the Textless Backgrounds (if applicable) included after the picture:

- b) Digital Betacam NTSC 4:3 Full Frame Master
c) Digital Betacam NTSC 4:3 Full Frame Master with English Subtitles
d) Digital Betacam NTSC Letterbox Master in the original aspect ratio of the film
e) Digital Betacam NTSC 16:9 Anamorphic Master
f) Digital Betacam NTSC 16:9 Anamorphic Master with English Subtitles
g) Digital Betacam PAL 4:3 Full Frame Master
h) Digital Betacam PAL 4:3 Full Frame Master with English Subtitles
i) Digital Betacam PAL Letterbox Master in the original aspect ratio of the film
j) Digital Betacam PAL 16:9 Anamorphic Master
k) Digital Betacam PAL 16:9 Anamorphic Master with English Subtitles

2) FILM ELEMENTS

The following elements are to be delivered to Cinemavault:

- a) Two fully timed composite Feature 35mm Release Prints with English Subtitles
- b) One Trailer 35mm Release Print with English subtitles (if available)

The following elements require a lab access letter from Licensor's lab:

- c) Feature 35mm Original Negative
- d) All original 35mm Original Negative outs, trims and lifts

The following elements are to be deposited at Deluxe Lab in Toronto and require laboratory access letters:

- e) Feature 35mm Interpositive
- f) Feature 35mm Internegative
- g) Feature 35mm Optical Sound Track
- h) 35mm Interpositive of the Textless Backgrounds (if applicable)
- i) 35mm Internegative of the Textless Backgrounds (if applicable)
- j) Trailer 35mm Original Negative (if available)
- k) Trailer 35mm Interpositive (if available)
- l) Trailer 35mm Internegative (if available)
- m) Trailer 35mm Optical Sound Track (if available)

3) SOUND ELEMENTS

The following elements are to be delivered to Cinemavault:

- a) Feature DA-88 (NTSC Time-code, 29.97fps) 6 Track Discrete Dolby SRD Original Language Print Master (separate reels)
- b) Feature DA-88 (NTSC Time-code, 29.97fps) 6 Track Discrete Dolby SRD Original Language Print Master (reels edited together with time-code matching Digital Betacam NTSC Video Master)
- c) Feature DA-88 (EBU Time-code, 25fps) 6 Track Discrete Dolby SRD Original Language Print Master (reels edited together with time-code matching Digital Betacam PAL Video Master)
- d) Feature DA-88 (NTSC Time-code, 29.97fps) 2 Track Dolby SR Original Language Print Master (separate reels)
- e) Feature DA-88 (NTSC Time-code, 29.97fps) 6 Track Discrete Dolby SRD M&E Master (separate reels)
- f) Feature DA-88 (EBU Time-code, 24fps) 6 Track Discrete Dolby SRD M&E Master (separate reels)

- g) Feature DA-88 (NTSC Time-code, 29.97fps) 6 Track Discrete Dolby SRD M&E Master (reels edited together with time-code matching Digital Betacam NTSC Video Master)
- h) Feature DA-88 (EBU Time-code, 25fps) 6 Track Discrete Dolby SRD M&E Master (reels edited together with time-code matching Digital Betacam PAL Video Master)
- i) Feature DA-88 (NTSC Time-code, 29.97fps) 6 Track Split Audio Master with the following audio configuration:
Ch.1&2-Stereo Dialogue, Ch.3&4-Stereo Sound Effects/Foley, Ch.5&6-Stereo Music
- h) CD of all music in the picture with all cues separate.
- i) Trailer DA-88 (NTSC Time-code, 29.97fps) 6 Track Discrete Dolby SRD Print Master (if available)
- j) Trailer DA-88 (NTSC Time-code, 29.97fps) 6 Track Discrete Dolby SRD M&E Master (if available)
- k) Trailer DA-88 (NTSC Time-code, 29.97fps) 6 Track Split Audio Master with the following audio configuration:
Ch.1&2-Stereo Dialogue, Ch.3&4-Stereo Sound Effects/Foley, Ch.5&6-Stereo Music

The following elements require a laboratory access letter from Licensor's lab:

- l) Feature DA-88 (NTSC Time-code, 29.97fps) 6 Track Mixing Stems (Dialogue/ADR, Sound Effects, Foley, Music)
- m) All original location tapes, ADR, Foley, Sound Effects and Music recordings and pre-mixes.

4) ARTWORK AND PUBLICITY MATERIAL

- a) CD with paper proof of at least sixty production stills in high resolution suitable for print.
- b) Key Art on CD with paper proof
- c) Final Approved Billing Block on CD with paper proof.
- d) Press Kit on CD with paper proof including a brief synopsis of the film, production notes, biographies for principal cast, director, producer(s), screenwriter(s), and cinematographer as well as a full credit list of the head and tail credits as they appear in the film and any press clippings or film reviews.
- e) Electronic Press Kit and/or any interviews of key cast and/or filmmakers (if available) on Digital Betacam NTSC and PAL.
- f) If available, Deleted scenes, alternate versions, additional footage (if available) on Digital Betacam NTSC and PAL for possible use on DVD.

5) DOCUMENTS

- a) SHORT FORM ASSIGNMENT
- b) STATEMENT OF RIGHTS AVAILABLE
- c) CHAIN OF TITLE – Documents & Summary
A SUMMARY PAGE outlining all Chain of Title documents, in chronological order, as well as all DOCUMENTS evidencing proof of ownership and all documents evidencing proof of payment in connection with any transfer of rights, including but not limited to:
 - Chain of title summary
 - Articles of Incorporation for Production Company,
 - Literary Purchase Agreement,
 - Certificate of Authorship
 - A filed United States COPYRIGHT REGISTRATION FORM for the screenplay
 - A filed United States COPYRIGHT REGISTRATION FORM for the Production
 - One (1) copy of US COPYRIGHT SEARCH
 - One (1) copy of TITLE SEARCH wit legal opinion
- d) CERTIFICATE OF ORIGIN
- e) TITLE SEARCH / CLEARANCE
- f) COPYRIGHT SEARCH
- g) PRODUCER AGREEMENT
- h) DIRECTOR AGREEMENT
- i) MUSIC COMPOSER AGREEMENT
- j) MUSIC CUE SHEET
Music cue sheets stating for each composition in the Feature and Trailer (if available) including the title, the composers, authors, publishers, copyright owners, usage, performing rights society, as well as the film footage & running time
- k) SUMMARY OF MUSIC RIGHTS AND OPTIONS
A list of all the songs used in the Feature and Trailer (if available) against which the rights granted, term of license, media to which rights apply, details of the options for extending or exercising certain rights or terms, shortfalls in the rights granted, etc. should be shown.
- l) MUSIC LICENSES
One (1) fully-executed copy of all synchronization, master recording & performing LICENSES for all music, incidental songs and instrumental music used in the Feature and Trailer (if available). All synchronization and master recording licenses shall be for all medias (now known and hereafter devised) all rights, including in-context use, in perpetuity and shall include an option with a pre-negotiated price for the out-of context use of the music in trailers and ads. If any music is in the public domain, proof of said status shall also be delivered. Paid in full invoices are not acceptable, nor are summarized deal point memos.
- m) DOLBY SRD, SR AND SONY SDDS LICENCE AGREEMENTS

A copy of the fully executed license agreements in full force and effect between the producer and Dolby Laboratories, Inc. or Sony in connection with the Picture.

n) CREW CONTRACTS

o) CAST CONTRACTS

p) LOCATION AGREEMENTS

q) PRODUCT RELEASES

r) STOCK FOOTAGE LICENSES - If applicable.

Fully executed copy of all Stock footage licenses along with a report stipulating the period and territories included within the license agreement. NOTE: The grant of rights must include use in all medias, now known or hereafter devised, throughout the universe in perpetuity.

s) E&O INSURANCE

Certificate of standard producers liability insurance under a stand alone policy (US \$1,000,000.00/US \$3,000,000.00) for a term of three (3) years providing coverage for Cinemavault Releasing Inc., its parent companies, subsidiaries and related companies, its licensees, sub distributors and affiliates, its officers, directors and employees”, with a deductible no greater than US \$10,000.00 and a guarantee of at least thirty (30 days’ written notice of cancellation or other material change to the policy. In addition, Distributor, at its request, shall be provided certificates and endorsements naming its licensees and designees as additional insured when necessary.

t) CREDIT LIST

A list of all Head and Tail credits as they appear in the film.

u) CREDIT STATEMENT

A statement of both contractual screen credits, the paid advertising credits and name/likeness obligations with respect to the Picture. The statement should include each credit in one column and a summary of the credit of the credit obligation in the adjacent column, including form, placement, type size and exclusions. If there is no obligation to accord a certain credit which has been accorded on screen or is included in your billing block, the “obligation” should be stated as “Producer’s Discretion.”

-Credit Obligations / Statement / Disclaimer

-Talent / Likeness restrictions

-Dubbing restrictions

-Editing restrictions

v) DIALOGUE/CONTINUITY TRANSCRIPT (FEATURE + TRAILER)

Combined dialogue action continuity and spotting list containing all spotted dialogue, narration, sound vocals, all opening titles and complete end credits appearing in the Picture, as well as a cut-by-cut description of the action of the Picture in its final form, with footage and frame counts showing footage in, footage out and total duration of each line of dialogue (On disk and paper).

w) SHOOTING SCRIPT

One Final shooting script of the Picture (On disk and paper)