

THIS AGREEMENT is made as of the 6th day of December, 2006, between X-Ray Dog Music, Inc. 1023 N Hollywood Way, Suite 103, Burbank, CA 91505, USA ("X-Ray Dog") of the first part and Music and Images, S.A. de C.V., Lirios 386, Col. Torreón Jardín, 27200 Torreón, Coah., México ("Publisher") of the second part.

WHEREAS:

X-Ray Dog has rights in and to certain musical compositions and sound recordings comprising a music library ("the Library" as more fully defined in clause below) and wishes to appoint the Publisher as sole subpublisher for the Library in Mexico ("the Territory");

NOW THEREFORE in consideration of the premises and of the respective covenants and conditions hereinafter contained IT IS HEREBY AGREED as follows:

1. APPOINTMENT:

X-Ray Dog appoints the Publisher as sole subpublisher for the Library in the Territory.

2. TERM

The term of this agreement is for a period which is hereby confirmed to have commenced on the 1st Day of January 2007, and which shall continue until the 30th of June 2010 ("the Term").

3. DEFINITION OF THE LIBRARY

The Library shall be defined as the copyright musical compositions and the recordings in the Library released by X-Ray Dog in the United States of America prior hereto or hereafter during the Term as part of the Library to the extent X-Ray Dog has rights therein for the Territory. The "Composition(s)" shall mean the musical compositions forming part of the Library as aforesaid and the "Recording(s)" shall mean the recordings forming part of the Library as aforesaid.

4. DELIVERY OF ITEMS FROM THE LIBRARY

4.1 On the signing of this Agreement X-Ray Dog shall supply to the Publisher one (1) compact disc copy, free of charge, of all of the releases in the Library (insofar as the same have not already been supplied either in anticipation hereof or under a prior agreement of a like kind) and X-Ray Dog shall also supply to the Publisher one (1) compact disc copy free of charge of all new releases in the Library hereafter during the Term.

4.2 The Publisher may order further compact discs as required by the Publisher and X-Ray Dog shall supply such compact discs at the same price as Publisher and its sister companies charge X-Ray Dog at that time for compact discs from Publisher's and its sister companies' own libraries under the existing agreement between the said companies. In addition, all costs of packing and freight will be charged to the Publisher and the Publisher shall also be responsible for insurance of all discs tapes, catalogues, and promotional materials sent by X-Ray Dog.

4.3 Notwithstanding the provisions contained under this Paragraph 4 hereof, X-Ray Dog may during the Term (and after prior consultation with Publisher) make copies of items in the Library available to Publisher in digitized format via the Internet and/or by other means in addition to or rather than by delivery of compact discs.

5. RIGHTS GRANTED

5.1 Subject to the provisions of clause 6 below, the Publisher shall have the right to grant and to authorize others to grant non exclusive worldwide licenses authorizing the dubbing only in the



Territory of Compositions and/or Recordings on to sound tracks of motion picture films and television films and video tapes as well as the dubbing and mechanical reproduction for radio transcriptions. It is agreed that the Publisher shall not license the use of the Compositions and/or Recordings for less than the best prevailing rates in the Territory.

5.2 Subject to the provisions of clause 6 below, the Publisher shall have the right to reproduce Recordings for the purpose of exploiting the Library in the Territory hereunder including the right to reproduce the Recordings as background music on commercial or advertising tapes or recordings.

5.3 The Publisher shall have the right to license the use of one or more individual Compositions and/or Recordings on third party websites or servers subject to the following restrictions. Bearing in mind the provisions of clause 6 below (and in particular sub-clauses 6.1 to 6.4), the publisher shall not permit third parties to (i) make Compositions and/or Recordings available via the Internet (or any other form of electronic communication) in a downloadable form except where synchronized into and forming an inseparable part of some other product (such as a downloadable game video, or like audiovisual product) or (ii) permit internet users to listen to Compositions and/or Recordings except in the context of on-line use of some product of which the Composition and/or Recording form an inseparable part (such as background music on a homepage).

5.4 The Publisher shall not be entitled to make any of the Compositions and/or Recordings available on-line without the prior written approval of X-Ray Dog in each case.

5.5 The Publisher shall promptly notify X-Ray Dog of any claim notified to the Publisher and any suit or proceedings commenced against the Publisher in respect of the Library or any one or more of the individual Composition(s) and/or Recording(s). X-Ray Dog hereby authorizes and empowers the Publisher during the Term at the expense of the Publisher (subject as hereafter provided) to defend, and after obtaining the prior written consent of X-Ray Dog, to enforce and protect all rights in and to the Library throughout the Territory and to be a party to any suits or proceedings in the name of X-Ray Dog where the Publisher deems it advisable and to proceed to the full extent of X-Ray Dog's rights and interests except that no suits or proceedings shall be settled or otherwise disposed of and, without prejudice to the generality of the foregoing, no offers of settlement shall be made, accepted or rejected without the prior written consent of X-Ray Dog whether or not such settlement or other disposition might have a continuing effect on X-Ray Dog. In the event that X-Ray Dog refuses consent to such settlement or other disposition X-Ray Dog shall assume, at its expense, responsibility for representing the Publisher and X-Ray Dog in such suits or proceedings and may pursue such representation to its satisfaction. Provided the Publisher has duly notified X-Ray Dog and obtained all consents from X-Ray Dog as provided above in this sub-clause 5.5, from any recovery obtained by settlement judgment or otherwise by the Publisher, Publisher shall be entitled to deduct costs and expenses incurred including legal fees, and the Publisher shall pay to X-Ray Dog 50% (fifty per cent) of the balance. In the event of X-Ray Dog assuming the responsibility for such suit or proceedings (as hereinbefore provided or in the event that the Publisher refuses or fails within a reasonable time to take legal proceedings having been requested to do so by X-Ray Dog in writing) X-Ray Dog shall be obliged to pay all costs and expenses including legal fees but shall be entitled to retain the entire amount of any recovery .

5.6 Except in the case of individual Compositions in respect of which X-Ray Dog notifies the Publisher otherwise in writing, the Publisher shall have the exclusive right (subject to the obligation in clause 7 below to pay 50% (fifty per cent) of such income to X-Ray Dog) to collect 100% (one hundred per cent) of mechanical income from sales in the Licensed Territory (so far as the same are permitted hereunder) and other income (not specified in sub-clause 7.2 below) payable directly by

licenses or distributed by local societies in the Licensed Territory arising from exploitation of the Library in the Licensed Territory other than exploitation of a type reserved to X-Ray Dog (including but not by way of limitation, those types of exploitation envisaged in clause 6 below). For the avoidance of doubt, it is hereby acknowledged by both parties that prospective Users are generally provided with Recordings free-of-charge.

6. RESERVATIONS FOR NON LIBRARY EXPLOITATION

6.1 Any request for permission to manufacture and/or release (directly or indirectly) for retail sale to the public an audio-only recording ("a commercial recording" which term shall include so-called "promo-videos" for such recordings) of any of the Compositions and/or Recordings shall be directed to X-Ray Dog (it being understood that X-Ray Dog may need to obtain the consent of the writer(s) and/or composer(s) of the relevant composition to manufacture and/or release the commercial recording and organize the contractual documentation and that payments may need to be made to performers on the relevant Library recordings in respect of such use). Where any manufacture and/or release of a commercial recording (as aforesaid) is subsequently licensed by X-Ray Dog, the Publisher shall obtain no rights in respect of exploitation of or further licensing in respect of any commercial recording made as aforesaid (except that where the commercial recording made as aforesaid is procured by the Publisher, X-Ray Dog shall agree with the Publisher on a case-by-case basis what the Publisher's entitlement, if any, to royalties and/or other remuneration in respect thereof shall be). For the avoidance of doubt, the foregoing provision is not intended to prevent or restrict the Publisher exploiting the Library by way of such things as background music on commercial or advertising tapes or recordings or other products where the primary object is not exploitation of the musical composition and/or recording itself.

6.2 Any request for permission to make an arrangement of or adaptation of or change to any of the Compositions shall be directed to X-Ray Dog (it being understood that X-Ray Dog may need to obtain the consent of the writer(s) and/or composer(s) of the relevant composition to the making of the arrangement, adaptation or change (and consent will always be needed where anybody other than the original writer(s)/composer(s) and X-Ray Dog obtains any interest in the copyright or other rights in or income from the musical composition(s) as arranged, adapted or changed) and organize the contractual documentation for the arrangement.

6.3 Any request for permission to use a part of or an extract from ("a sample") any of the Compositions and/or Recordings in any new musical composition and/or recording shall be directed to X-Ray Dog (it being understood that X-Ray Dog may need to obtain the consent of the writer(s) and/or composer(s) of the relevant Composition to such use of the relevant part or extract and organize the contractual documentation (and consent will always be needed where anybody other than the original songwriter/composer and X-Ray Dog obtains any interest in the copyright or other rights in or income from the musical composition(s) as adapted) and that payments may need to be made to performers on the relevant Recording(s) in respect of such use.

6.4 The parties hereto acknowledge that a new arrangement of, adaptation of or change to a Composition and a new musical composition and/or recording containing a sample from a Composition and/or Recording will normally constitute a new copyright work separate from the relevant original Composition and/or Recording. Where any arrangement adaptation or change or any use of a sample as aforesaid is subsequently licensed by X-Ray Dog, if the new musical composition and/or recording comprising and/or containing the new arrangement adaptation or changes and/or the sample is exploited as part of the Library, the Publisher shall obtain the rights granted hereunder therein in respect of any Library exploitation. If the said new musical composition and/or recording is exploited otherwise than as part of the Library, the Publisher shall obtain no rights hereunder therein in

respect of any non-Library exploitation.

6.5 It is acknowledged by both parties hereto that non library exploitation of the Compositions and Recordings can involve editing and cutting of such musical compositions and recordings and other alterations consistent with the normal manner in which library works are exploited (it being understood that the prior written consent of X-Ray Dog will, as aforesaid, always be needed where anybody other than the original writer(s)/composer(s) and X-Ray Dog obtains any interest in the copyright or other rights in or income from the musical composition(s) as changed) and nothing in the preceding sub-clauses 6.1 to 6.4 is intended to restrict such exploitation of the Compositions and Recordings nor to restrict the Publisher's share of income from such exploitation.

6.6 Insofar as any unauthorized arrangement of or adaptation of or change to, commercial release of, or use of a sample from any of the Compositions and/or Recordings is discovered, Publisher shall have the right set out in sub-clause 5.5 of this Library Agreement in respect of such unauthorized arrangement or adaptation or change, commercial release or sampling and any unauthorized exploitation thereof, it being understood that the extent (if any) to which the Publisher shall be entitled to royalties and/or other remuneration arising from non-Library exploitation of the relevant commercial recording, arrangement adaptation or changed composition, or sample (occurring after or not taken into account in any resulting court order or judgment or settlement) shall be discussed in good faith on a case-by-case basis taking into account the provisions set out in the preceding sub-clauses of this clause 6.

7. ROYALTIES

7.1 Except as otherwise provided hereinbelow, the Publisher shall pay to X-Ray Dog 50% (fifty per cent) of all fees accruing from exploitation of works from the Library in accordance with the terms of this Agreement.

7.2 The performing rights in the Compositions is subject to the rights now or hereafter of the performing right society of which any writer and/or composer of any Composition is a member and their affiliated societies in the Territory and it is agreed that the Publisher shall collect the entire so-called "publisher's share (being 6/12 (six twelfth) of performing and broadcasting fees earned by the Library in the Territory and the Publisher shall remit to X-Ray Dog 50% (fifty per cent) or the said "publisher's share" of performing and broadcasting fees received by the Publisher. The Publisher shall (where the local society has not already been so instructed) instruct the local society to pay the so-called writer's share (being 6/12 (six twelfth) of performing and broadcasting fees earned by the Library in the Territory to the performing rights society for payment on to the writer(s) and composer(s) of the musical compositions in the Library. If Publisher licenses the public performances directly rather than through a performing rights society and receives all of the license fee, or in the event there is no performing rights society able to issue such public performance license, Publisher shall have the right to license directly the public performance rights in the Compositions to third parties and shall use best efforts to collect all sums therefrom, in which case twenty-five percent (25%) of all such sums collected by Publisher shall be retained by Publisher (i.e. Fifty Percent (50%) of the Publisher's share) and seventy-five-percent (75%) of all such sums collected by Publisher shall be payable to X-Ray Dog as its and the writer(s)' and composer(s)' shares.

7.3 In addition to the collection of performance royalties as set forth in paragraph 7.2 above, Publisher agrees to collect, and to use best efforts to enforce payment of all performance and broadcasting fees for any and all musical compositions licensed by X-Ray Dog or its sub-publishers or agents to third parties and performed and/or broadcast within the Territory which are not derived from licenses issued by Publisher in the Territory (hereinafter "Foreign Licenses"). With respect thereto, Publisher agrees

to collect the entire so-called "publisher's share" (being 6/12 (six twelfths)) of performing and broadcasting fees earned in the Territory from the Foreign Licenses in the Territory and the Publisher shall remit to X-Ray Dog one fifty percent (50%) of the said "publisher's share" of performing and broadcasting fees received by the Publisher. The Publisher shall (where the local society has not already been so instructed) instruct the local society to pay the so-called writer's share (being 6/12 (six twelfths)) of performing and broadcasting fees earned from the Foreign Licenses in the Territory to its performing rights society for payment to the Writer(s) and Composer(s).

7.4 The Publisher shall remit fifty percent (50%) of the Publisher's share of all sums received by the Publisher as bonus payments, other unallocated funds or so called 'Black Box' payments attributable as a direct proportion of all income of the Publisher from the Library to X-Ray Dog, and one hundred percent (100%) of the Writer's share, if any, of said amounts.

8. COLLECTION

The Publisher shall be entitled during the Term and during the (one) year thereafter to collect all fees and monies arising from exploitation of the Compositions and/or Recordings in the Territory during the Term (and where such monies have not already been distributed or paid through to the X-Ray Dog from exploitation prior to the Term) subject always to the provisions of clauses 7 and 9.

9. ACCOUNTING FOR ROYALTIES

9.1 Royalty statements shall be rendered by the Publisher to the X-Ray Dog within 90 (ninety) days of each half yearly period ending 30th June and 31st December in each year showing all mechanical royalties, license fees and other monies earned. Such statements shall be accompanied by cheques for the amount shown to be due to the X-Ray Dog for all monies due and copies of all statements received by the Publisher in respect of the Library. The X-Ray Dog (or an independent professionally qualified accountant on its behalf) shall have the right at the X-Ray Dog's cost to inspect the books and records of the Publisher during the Term and for a period of 3 (three) years thereafter. Such inspections shall be subject to the X-Ray Dog giving the Publisher 14 (fourteen) days' notice and shall not take place more than once in any calendar year. The X-Ray Dog shall be deemed to have consented to all royalty statements and other accountings rendered by the Publisher hereunder and such statements and accountings shall be deemed final and binding unless the X-Ray Dog shall have given the Publisher written objection thereto within 3 (three) years after the date of receipt of the same by the X-Ray Dog.

9.2 All payments made by the Publisher to the X-Ray Dog hereunder shall be in the currency of the X-Ray Dog (or such other currency as the X-Ray Dog may from time to time direct in writing) and the exchange rate to be utilized shall be that in effect on the 90th (ninetieth) day after 30th June and 31st December as appropriate or if payments are made by the Publisher after such date the exchange rate shall be that of the actual date of payment whichever is the most advantageous to the X-Ray Dog. All costs of converting from the currencies utilized by the Publisher to the currency of the X-Ray Dog shall be borne by the Publisher.

10. MISCELLANEOUS

10. On the expiry or termination of this Agreement or any extension thereof all rights in the Library shall revert to the X-Ray Dog but the Publisher shall continue to render statements to the X-Ray Dog in respect of royalties and other monies earned under the provisions of this Agreement and shall make remittance therefore until such time as the Publisher has ceased to collect such monies pursuant to clause 8 hereof and accounted through to; the X-Ray Dog all royalties due to the X-Ray Dog therefrom hereunder. Forthwith upon termination the Publisher shall send to the X-Ray Dog a full inventory of all stock of records, tapes and catalogues supplied by the X-Ray Dog pursuant to the terms hereof and all copies and derivatives thereof in the possession of the Publisher ("the stock")

together with a complete list of all persons supplied with the Library or part thereof by the Publisher. Within 60 (sixty) days of receipt of such inventory the X-Ray Dog shall instruct the Publisher to whom the stock should be delivered which delivery shall be at the new publisher's cost and risk. Notwithstanding the generality of the foregoing in respect of stock acquired by the Publisher free of charge ("the free stock") then the Publisher shall deliver the free stock to the new publisher free of charge and, in respect of stock which has been paid for by the Publisher ("the paid stock") then the paid stock shall be sold to the new publisher at the same cost as was originally paid by the Publisher to the X-Ray Dog PROVIDED ALWAYS that the new publisher requires such stock.

11. The Publisher shall not have the right to part with or assign to any other person or party any of the benefits licensed to him under the terms of this Agreement without the prior written consent of the X-Ray Dog (as the case may require).

12. Should the Publisher default in rendering any statement of account or in making any payment; as hereinbefore provided or in fully complying with any terms or conditions herein required of the Publisher to be performed, and should such default continue for 30 (thirty) days after the X-Ray Dog has sent notice of such default by registered mail or telex to the Publisher, the X-Ray Dog shall have the right to terminate and cancel this Agreement as of expiration of the said 30 (thirty) days, or should the Publisher make any assignment for the benefit of creditors or take the benefit of any law relating to bankruptcy or liquidation (save for the purpose of reconstruction) or should the Publisher be petitioned into bankruptcy or liquidation, then in each and every such event the X-Ray Dog shall be entitled to terminate and cancel this Agreement, and the Publisher shall account to the X-Ray Dog forthwith for any outstanding fees not accounted for up to the time of such cancellation.

13. The X-Ray Dog hereby represents and warrants and undertakes that:

(i) the X-Ray Dog controls for a period of not less than the duration of this Agreement each of the rights granted to the Publisher hereunder in the Library free and clear of all claims and encumbrances and that the X-Ray Dog is free to enter into this Agreement;

(ii) during the period of this Agreement the X-Ray Dog will not grant any rights in the Library (or any part of the Library) in respect of the Territory to any person, firm or company other than the Publisher or enter into any agreement or act in any way which would derogate from the rights granted to the Publisher hereunder;

(iii) the Compositions are original and that none of them infringes any other copyright work or other rights of any third party.

14. The X-Ray Dog hereby agrees to indemnify and hold harmless the Publisher of and from any and all loss, liability and expense incurred by reason of and infringement of rights or other claim inconsistent with the X-Ray Dog's guarantees, warranties, representations and undertakings. This indemnity shall not be adversely affected should exploitation of the Library continue after notice of infringement of rights or other claim that has been received by the Publisher.

15. All rights in the Library not expressly granted by the Owner to Publisher herein are hereby reserved to the X-Ray Dog without any limitation whatsoever.


16. The X-Ray Dog hereby warrants and declares to the Publisher that it has the full right to enter into this Agreement with the Publisher.

17. This Agreement shall be construed and enforced in accordance with the law in the State of California and this Agreement shall be binding upon the parties hereto and their respective successors, licensees and permitted assigns. No amendment shall be made hereto except in writing by all parties hereto. This Agreement constitutes the entire agreement between the parties hereto at the date hereof and the parties hereto enter into it solely on that basis without reliance on any other representations whatsoever.

IN WITNESS whereof the parties; hereto have set their hands the day and year first above written.

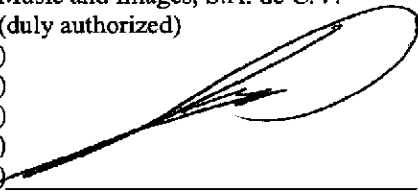
Signed by

and by
for and on behalf of X-Ray Dog Music, Inc.
(duly authorized)

)
)
) 
)
12-27-06

Signed by

Music and Images, S.A. de C.V.
(duly authorized)

)
)
) 
)
PETER VAN ES