

Aug. 22, 2001 4:30PM

No. 5367 P. 1

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Date: August 22, 2001

VIA FACSIMILE

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Office Telephone No.: (310) 265-1730

Reference No.: 22/7

To: Eliot Bernstein
VIEWIT

From: Andrew Y. Choung

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cc:

Time: _____

No. of Pages: 32
(including cover page)

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AUG. 22. 2001 4:30PM

No. 5367 P. 2



WARNER BROS.

4000 Warner Boulevard
Burbank, California 91522
(818) 954-6000

VIA AIRBORNE EXPRESS

August 20, 2001

Andrew Choung, Esq.
Irell & Manella
1800 Avenue of the Stars, Suite 900
Los Angeles, CA 90067


Re: iViewit Term Sheet and Confidentiality Agreement

Dear Andrew,

Please find enclosed one fully executed copy of (1) the Term Sheet between your client iViewit Holdings, Inc. and Warner Bros. Online and (2) the iViewit Confidentiality Agreement executed by Warner Bros. Online.

Please feel free to call me if you should have any questions. Thank you for all of your help in completing the Term Sheet.

Best regards,


Carolyn Wessling
Director, Business and Legal Affairs
(818) 977-4946

Encl

**WBOL / Iviewit Technologies, Inc.
Binding Term Sheet**

This binding Term Sheet (this "Term Sheet"), dated as of February 15, 2001 (the "Effective Date"), is between Warner Bros. Online, a division of Time Warner Entertainment Company, L.P., a Delaware limited partnership ("WBOL"), and Iviewit Holdings, Inc., a Delaware corporation ("Company").

1. Company's Undertakings:

- 1.1. During the Term (as defined below), Company will, and will cause only its employees and third party contractors or consultants (such employees, contractors and consultants being hereinafter referred to collectively as "Contractors") to, provide and perform the Services (as defined below) in connection with the encoding of content for exhibition on the WBOL Network. For purposes of this Term Sheet, "WBOL Network" means, collectively, the websites located at the URL www.warnerbros.com and any other AOL Time Warner website, and any other website launched or serviced by WBOL, and any place where the AOL Time Warner brand appears.
- 1.2. For purposes of this Term Sheet, "Services" means and includes (i) capturing, processing and encoding video images from BetaSP, Digi-Beta, VHS, DV, and 1/4" sources into Windows Media Streaming, QuickTime Streaming, QuickTime Progressive, and/or Real Streaming formats in a 320 x 240 frame size; (ii) dubs to and from Digi-Beta, Beta SP, DV, VHS, 1/4", DVD, DAT and/or CD sources; (iii) video editing; and (iv) such other services related to the foregoing as reasonably requested by WBOL and reasonably agreed to by Company or otherwise necessary for Company to comply with its obligations under this Term Sheet.
- 1.3. For each project, WBOL will request the Services of Company by submitting a written description of the desired Services required by WBOL (each a "WBOL Service Request"), along with the WBOL content to be encoded or otherwise serviced by Company. WBOL shall deliver such content in certain standard formats to be mutually agreed upon by the parties. Each WBOL Service Request will set forth the dates by which the original WBOL content and the Work (defined below) must be returned to WBOL. Company shall have the right to reasonably accept or reject each WBOL Service Request. For purposes of this Term Sheet, "Work" shall mean any product of Company's Services pursuant to any WBOL Service Request, and the results and proceeds therefrom; provided, however, that "Work" shall not include Company's Proprietary Technology (as defined below), subject to Section 5.8.
- 1.4. For purposes of this Term Sheet, "Company's Proprietary Technology" shall mean (a) Company's proprietary encoding and processing technologies, including any improvements to or advances or inventions made by Company in such technologies on or following the Effective Date, whether in the course of performing Services for WBOL or otherwise; (b) all generic HTML files, JAVA

files, data files, technology, scripts, formats and programs, if any, both in object code and source code form, all processes, hardware, software, electronic data interfaces, forms, wizards, and templates, if any, and all other materials created, designed or invented by Company for producing and processing encoded content and which are utilized by Company to support and create the Work hereunder; and (c) any subject matter relating to (a) or (b) above that is patentable by Company. The elements described above may be protected by copyright, patent and trade secret or trademark or other similar or dissimilar legal protection. For avoidance of doubt, "Company's Proprietary Technology" shall not include any and all materials provided by WBOL to Company from which the Work will be adapted, including all source materials as set forth in Section 1.2, any other materials including, without limitation, artwork, design elements, photographic materials, animations and logos, and any other elements of the Work contributed by WBOL.

- 1.5. When Company returns the original content and the Work to WBOL pursuant to the terms of the applicable WBOL Service Request, Company will submit a form which will indicate the following: the number of minutes processed and encoded, the number and types of formats encoded, other relevant details of the Services provided, and any other information agreed upon by the parties. Such information will also appear on the invoice submitted by the Company to WBOL pursuant to Section 3.2 below.
- 1.6. WBOL initially will have ten (10) business days following its receipt of the Work and completion of related Services to review the Work and Accept or reject it. "Acceptance" means that WBOL has determined in its sole discretion that Company's Services and the Work are satisfactory and in compliance with WBOL's specifications. Delivery of the Work will be complete upon Acceptance of the Work. If WBOL has not provided to Company a written notice of rejection by the end of such initial 10 business day period, then WBOL will be deemed as having Accepted the Work. If WBOL initially rejects the Work, WBOL may provide a written description of the reasons for its rejection that will reasonably enable Company to identify the problem and make corrections. Upon redelivery of the Work, WBOL will have ten (10) business days following its receipt of the redelivered Work to review the Work and reasonably accept or reject it.
- 1.7. The Services and the Work provided by Company will materially meet WBOL's standard specifications and parameters attached hereto as Exhibit B, and any additional specifications agreed to in writing between the parties. WBOL retains the right of final approval on all Services and implementation of the same, and on all Work. Any material revisions or modifications of the Work which are mutually agreed to by the parties and which vary materially from the terms of this Term Sheet or a WBOL Service Request ("Change Orders") shall be considered to be outside of this Term Sheet and therefore separate agreements. In the event that Change Orders should arise, the parties shall negotiate in good faith the terms and conditions of the performance by Company of services for WBOL, including compensation for said Change Order.

1.8. Company will, and will cause its Contractors to, render the Services to the best of its and their ability, subject to WBOL's direction and control, in collaboration with such third parties and at such times as WBOL may require. Company understands and agrees that (i) WBOL will have full and exclusive budgetary, financial, business, editorial and creative control over the Work; (ii) all Work delivered by Company to WBOL will be determined as completed and accepted pursuant to Section 1.6; and (iii) all delivery deadlines, schedules, timetables and milestones will be set by WBOL in its sole discretion.

2. **Undertakings:** WBOL and Company will work together to review, evaluate, modify, and improve the procedures, protocols, and equipment and process specifications hereunder, and to develop a "process document" which will standardize the procedures, work-flow, pre-processing, processing, encoding and other Service components (including receipt and delivery of data).

3. **Compensation:**

3.1. So long as WBOL has accepted or has been deemed to accept (pursuant to Section 1.6) the Work and Company has not been in material default for at least 30 days of any of its obligations hereunder, then WBOL will pay to Company according to the rate schedule attached hereto as **Exhibit A**.

3.2. Payment will be due within forty-five (45) days following the later to occur of (i) receipt by WBOL of an appropriate invoice from Company, and (ii) acceptance (pursuant to Section 1.6) by WBOL of the Work.

4. **Term:**

4.1. The term of this Term Sheet (the "Term") is the period from and including the Effective Date through the date of execution of a long-form services agreement, or such earlier date in the event of an early termination of this Term Sheet pursuant to Section 4.2.

4.2. Either party may terminate this Term Sheet upon thirty (30) days' prior written notice after one hundred and twenty (120) days following the Effective Date; provided that Company will perform services to complete any work in progress at the time of notification until such work has been accepted by WBOL pursuant to Section 1.6, even if such work or acceptance extends beyond the termination date. Either party may terminate this Term Sheet at any time after material default of the other party for at least 30 days after notice of such breach is received. Either party is in default of this Term Sheet if it breaches any of its covenants or obligations or any other material provision hereof and fails to correct such default within ten (10) days after receipt of written notice of such default.

5. **Intellectual Property Matters:**

5.1. Company hereby represents, warrants and agrees that: (a) the Work (including any physical materials Company or Contractor(s) create(s)) will be considered a "work-made-for-hire" for WBOL; and (b) WBOL will be considered, in perpetuity and

for all purposes throughout the universe, the author thereof and the sole copyright owner of the Work, and the owner of all rights in and of all proceeds derived from the Work, and in connection therewith, with the right to make such changes to the Work and such uses and disposition of the Work, in whole or in part, as WBOL may from time to time determine as the author and owner thereof (collectively, the "Rights"). If and to the extent that the foregoing provisions do not operate to vest fully and effectively in WBOL all or any of such Rights, Company hereby grants and assigns to WBOL all rights of every kind and nature therein, whether now or hereafter known or created, which may not have so vested (and so far as may be appropriate by way of immediate assignment of future copyright) throughout the universe in perpetuity.

- 5.2. Notwithstanding Section 5.1 above, WBOL acknowledges and agrees that no title to the Company's Proprietary Technology is or shall be transferred to WBOL under the terms of this Term Sheet. This Term Sheet grants WBOL limited rights to use the Company's Proprietary Technology, elements of which may be protected by copyright, patent and trade secret or trademark or other similar or dissimilar legal protection. Except as specifically set forth herein, all right, title and interest in and to the Company's Proprietary Technology and all copies thereof, including without limitation any copyrights, patents, trade secrets and other intellectual or industrial property rights therein, shall be held by Company or its licensors. Company's Proprietary Technology is deemed Confidential Information (as defined below in Section 6.2).
- 5.3. If third parties who are not Contractors of Company make or have made any contribution in connection with the Services, excepting any contributions that may be deemed to constitute Company's Proprietary Technology (any such contributions collectively, the "Copyrighted Materials") so that they might be deemed to be "Authors" of the same as that term is used in present or future United States copyright statutes, Company agrees to obtain from such parties, at the commencement of such work, a full assignment of rights so that full rights in the particular Copyrighted Material, free of any claims, interest, or rights of such third parties, will vest in WBOL. Company will not to permit any of its Contractors to obtain or reserve by oral or written employment agreements any rights as "Authors" in the Copyrighted Materials. At WBOL's request, Company agrees to furnish WBOL with full information concerning the creation of the Copyrighted Materials and with copies of assignments of rights obtained from third parties.
- 5.4. Company hereby irrevocably waives all rights of "droit moral" or "moral rights" or any similar rights or principles of law that Company may now or later have in the Work.
- 5.5. The payments described in Section 3 will be inclusive of full and final consideration for the right to exploit any and all Rights in and to the Services and the Work, by whatever means now known or hereafter invented by which such Work may be reproduced, distributed, performed, exhibited, transmitted and/or otherwise exploited throughout the universe. Such payments will also be deemed inclusive of equitable remuneration for the exploitation of rental rights in respect of

which 3.8% of the payment hereunder will be deemed allocated. Insofar as the Company's consent may be required for any affixation and/or exploitation of the Work as contemplated by this Term Sheet, Company hereby irrevocably and unconditionally grants such consent to WBOL.

- 5.6. Company agrees, and agrees to cause its Contractors, to the extent applicable, to execute such further documents and do such other acts as may be required by WBOL or its successors, licensees, or assignees to evidence or effectuate WBOL's rights hereunder (provided that such documents and acts are consistent with the terms of this Term Sheet) and in the event that Company fails to do so, Company hereby irrevocably appoints WBOL as its attorney-in-fact with the full power and authority to do so on its behalf, which power is coupled with an interest.
- 5.7. WBOL hereby grants to Company a world-wide, non-exclusive, non-transferable (except as otherwise provided herein), royalty-free license to use, reproduce, distribute, publicly perform, publicly display and create derivative works of the WBOL content delivered to Company by WBOL hereunder, for the sole purpose of creating or developing the Work and otherwise performing the Services hereunder.
- 5.8. Subject to the terms and conditions of this Term Sheet, Company hereby grants to WBOL a perpetual, worldwide, royalty-free, exclusive, non-transferable (except as otherwise provided herein) license to use, transmit, exhibit, distribute, market, publicize, advertise, reproduce, publicly display and publicly perform, throughout the universe on the WBOL Network, Company's Proprietary Technology, to the extent it is embedded within the Work which Company will provide to WBOL in connection with the Services pursuant to this Term Sheet and solely for purposes contemplated by this Term Sheet. The parties hereby acknowledge and agree that nothing in this section or in Section 5.2 above is meant to limit or affect in any way WBOL's right to transmit, exhibit, distribute or otherwise use any Work in perpetuity pursuant to this Term Sheet.

6. Miscellaneous:

- 6.1. WBOL shall have the right to make any modifications or adjustments to any component of the Work (other than Company's Proprietary Technology) as WBOL in its sole discretion deems necessary or desirable after such Work has been delivered and accepted pursuant to Section 1.6, at no additional cost to WBOL.
- 6.2. WBOL does not represent, warrant, or guarantee that WBOL will use the Work. If WBOL decides in its sole discretion to use the Work, it may decide in its sole discretion to cease exploiting or otherwise using the Work at anytime for any reason without any liability to Company.
- 6.3. Company and WBOL executed a confidentiality agreement ("CA") attached hereto as Exhibit C. The terms of the CA are incorporated herein, except to the extent that they conflict with the terms contained in this Term Sheet, in which case, the terms of this Term Sheet shall govern. The parties acknowledge that by reason of

their relationship to each other hereunder, each will have access to certain information and materials concerning the other's business, plans, customers, proprietary technology and products that is confidential and of substantial value to that other party, which value would be impaired if such information were disclosed to third parties ("Confidential Information"). Confidential Information of the Company includes, without limitation, Proprietary Technology and Information as defined in the CA. Confidential Information of WBOL includes without limitation, the technical parameters of the service provided by WBOL whether or not so marked, and all business related information with regard to the organization of the WBOL and its designees and affiliates, and any of the websites operated by WBOL. Each party agrees that it will not use in any way, for its own account or the account of any third party, except as expressly permitted by this Term Sheet, such Confidential Information, nor disclose to any third party, any such Confidential Information revealed to it by the other party and will take every reasonable precaution to protect the confidentiality of such information. Each party agrees not to disclose any financial terms or specific clauses of this Term Sheet to any third party without the other's prior written consent in its sole discretion, except as required by securities or other applicable laws (in which case each party will notify the other party of such disclosure in writing) and to such party's accountants, attorneys and other professional advisors.

- 6.4. Company will not assign this Term Sheet or any of Company's obligations or benefits hereunder. Notwithstanding the foregoing, subject to WBOL's prior written approval, Company may assign this Term Sheet to a subsidiary of Company so long as Company represents and warrants, and WBOL is fully satisfied that, such subsidiary has the financial, human and other resources necessary to perform the Services hereunder to the same high industry standards as Company. This Term Sheet may be assigned freely by WBOL to any of its affiliates and such assignment will be binding upon the undersigned and inure to the benefit of such assignee and such assignment will be deemed a novation forever releasing and discharging WBOL from any further liability or obligation to Company.
- 6.5. Company agrees not to authorize, circulate, publish or otherwise disseminate any news story, articles or other publicity of any kind, containing the names of WBOL or any of its affiliates and relating to Company's engagement hereunder, the subject matter of this Term Sheet, the Services to be rendered by Company or others in connection with the Work, unless the same are first approved in writing by WBOL.
- 6.6. This Term Sheet expresses the agreement between WBOL and Company and will be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns until such time as it is replaced and superseded by a subsequent long form services agreement (the "Agreement"). The parties hereto agree to negotiate in good faith such Agreement, which Agreement will reflect the terms and conditions set forth herein and will include any appropriate and applicable representations and warranties and reasonable and appropriate indemnities including legal fees, and WBOL's Standard Terms and Conditions

(attached hereto as Exhibit D) applicable to production agreements, as such
Standard Terms and Conditions may be negotiated in good faith by the parties.

This Term Sheet will become effective and binding upon the due execution by the parties hereto on the Effective Date.

Agreed and accepted:

WARNER BROS. ONLINE, a division
of Time Warner Entertainment
Company, L.P., a Delaware limited
partnership

By:  _____

Its: SR. VP / GARDMAN

By:  _____

Its: VP

VIEWIT HOLDINGS, INC., a
Delaware corporation

By:  _____

Its:  _____

Notice Address:

Warner Bros. Online
505 N. Brand Blvd., 4th Floor
Glendale, CA 91203
Attn: General Counsel
Fax: 818.977.5523

Notice Address:

Viewit Holdings, Inc.
One Boca Place
2255 Glades Road,
Suite 337
West Boca Raton, FL
33431-7360
Fax: 561.999.8810
Attn: Ross Miller

EXHIBIT A**VIEWIT'S RATE SCHEDULE**

Source Format	Average weekly minutes encoded				
	0-600	600+	2000+	4000+	10000+
Beta	2.50/min	2.25/min	2.00/min	1.75/min	1.50/min
Digi-beta	2.50/min	2.25/min	2.00/min	1.75/min	1.50/min
Beta-xxx	2.50/min	2.25/min	2.00/min	1.75/min	1.50/min
VHS	3.25/min	3.00/min	2.75/min	2.50/min	2.25/min
Mini-dv	2.50/min	2.25/min	2.00/min	1.75/min	1.50/min
DVD	2.50/min	2.25/min	2.00/min	1.75/min	1.50/min

Multibitrate encodes for up to 6 bitrates per encode add an additional \$.50.

Set-up-fees: \$9.50 per video clip under 3:00 minute.

Minimum 2 formats per source video. Pricing is per encode minute.

Turn around time 48 hours. Turn around under 48 hours requires 15% premium.

Video editing rate is \$60.00 per hour, billed in 10 minute increments.

Average weekly volume is calculated on a monthly basis.

Payment terms are net 45 days.

Archiving is \$10.00 per gigabyte with a 24 hour retrieval policy.

Exhibit B

Warner Bros. Online Video Specs

06/01/01

	Codec	Naming
QuickTime Progressive		
300k 320X240 24fps	Video: Sorenson 2.1 Audio: Qdesign Music2 Stereo	file_name_qt_300.mov
100K 240X180 15fps	Video: Sorenson 2.1 Audio: Qdesign Music2 Mono	file_name_qt_100.mov
56K 160X120 8fps	Video: Sorenson 2.1 Audio: Qdesign Music2 Mono	file_name_qt_056.mov
QuickTime Streaming		
300k 320X240 24fps	Video: Sorenson 2.1 Audio: Qdesign Music2 Stereo	file_name_qts_300.mov
100K 240X180 15fps	Video: Sorenson 2.1 Audio: Qdesign Music2 Mono	file_name_qts_100.mov
56K 160X120 8fps	Video: Sorenson 2.1 Audio: Qdesign Music2 Mono	file_name_qts_056.mov
WMP		
300K 320X240 24fps	Video: Mpeg-4 V3 Audio: WMA2 Stereo	file_name_300.asf
100K 240X180 15fps	Video: Mpeg-4 V3 Audio: WMA2 Mono	file_name_100.asf
56K 160X120 8fps	Video: Mpeg-4 V3 Audio: WMA2 Mono	file_name_056.asf
7. REAL		
300k 320X240 24fps	Video: G2 Audio: Music Stereo	file_name_300.rm
100K 240X180 15fps	Video: G2 Audio: Music Mono	file_name_100.rm

56K 160X120 8fps

Video: G2

Audio: Music Mono

file_name_056.rm

Special Specs 06/01/01

AOL Plus

- Videos will be encoded and displayed at 240 pixels in width by 180 pixels in height.
- Real videos will be encoded with a frame rate of 15 frames per second.
- Videos will be encoded using Real's G2 codec using the SureStream technology at the following target bit rates:
 - 300 Kbps (High bit rate - DSL / cable modem setting in Real Producer G2)
 - 220 Kbps (Mid bit rate - LAN setting in Real Producer G2)
 - 166 Kbps (automatically added by Real Producer G2)
 - 150 Kbps (Low bit rate - use Dual ISDN setting in Real Producer G2)
 - 112.5 Kbps (automatically added by Real Producer G2)
 - 90 Kbps (automatically added by Real Producer G2 - our lowest supported bit rate)
 - file_name_ss.rm

7.1.1 Jenny Jones

AVI 160X120 Indeo 5.1 8fps 200kbps ms ADPCM 45.2 kbps 16bit mono 11.025khz

file_name.avi

QT 160X120 Sorenson 2.1 7.5 fps key every 75 144 kbps IMA 4:1 32 kbps mono 8.000khz

file_name.qt

7.1.2 COH

REAL 160X120 perfect play SureStream 56 G2 28kbps 5fps T1 G2 165kbps 15fps 56 8.5kbps voice

T1 44kbps music

Show_number.rm

General AOL Audiences - Encoding Specifications

Hosting Requirements

It is generally recommended that ALL streaming media be hosted on the AOL streaming complex. This dramatically improves the responsiveness and reliability of media clips for all AOL users by putting them in closer proximity to a very robust network of servers. The maximum allowable bit rate for general audience streaming media hosted on the AOL complex is 225 kilobits per second (kbps). This limit has been reduced from that allowed for AOL PLUS to compensate for the larger potential audience sizes that can be generated by large promotion of clips on the main service.

Encoding Specifications

Currently, we allow ONLY RealVideo G2 with SVT (aka Real 7) for video, and ONLY RealAudio G2 for audio. This is to assure maximum compatibility with the general AOL audience. AOL users currently do not have the ability to play Real Video 8 or Real Audio 8.

RealVideo Content for General AOL Audiences Example Video Clip

Frame Size: 176w x 132h

Video Codec: RealVideo G2 with SVT (Real 7) (double check codec preferences often, restoring bit rate defaults will return this to RealVideo 8 as well)

Audio Codec: RealAudio G2 (double check target audience settings as it is easy to mistakenly encode in RA8)

Stream Type: Multi-Rate SureStream

Audio Format: Choose setting that is appropriate for content.

Video Quality: Normal Motion Video

Minimum Required Target Audiences: 28K Modem and 56K Modem. Every clip MUST contain these bit rates in addition to any higher bit rates up to the maximum.

Maximum Allowable Target Audience: 256k DSL/Cable (225kbps)

As for exact bit rates on these target audiences, please use, and do not exceed the current defaults in Real Producer 8.5. Modifications to the AUDIO tab of the Target Audience Settings is required to prevent the use of RealAudio 8 in Producer 8.5 and later. These values are listed in the table below:

Target Audience	Audio	Video	Total Bit Rate
28K Modem (required)	Do not exceed 8 kbps on any setting. Avoid use of Stereo. No RA8	15fps	20 kbps
56K Modem (required)	Do not exceed 8.5 kbps on any setting. Avoid use of Stereo. No RA8	15fps	34 kbps
Single ISDN	Do not exceed 11 kbps on any setting. Avoid use of Stereo. No RA8	15fps	45 kbps
Dual ISDN	Do not exceed 20 kbps on any setting. Avoid use of Stereo. No RA8	15fps	80 kbps
Corporate LAN	Do not exceed 32 kbps on any setting. No RA8 Select stereo codecs <u>only</u> when source material is stereo.	30fps	150 kbps
256k DSL/Cable Modem	Do not exceed 44 kbps on any setting. No RA8 Select stereo codecs <u>only</u> when source material is stereo.	30fps	225 kbps

Encoding Preferences: The following settings are specific to RealProducer Plus. If using other software, please use equivalent settings as applicable:

- ⌘ General Preferences: Recording, Indexing, Downloading should all be unchecked.
- ⌘ SureStream Preferences: Do not add 5.0 capability. Emphasize Audio.
- ⌘ Video Codec Preferences: RealVideo G2 with SVT. Use 2-Pass Encoding and Variable Bit Rate Encoding (VBR) on all static file encoding. Do not use them if encoding via live capture. Use of Loss Protection not recommended.
- ⌘ Filters: Use Inverse Telecine filter only when content is 100% from a film source, leave it off for mixed content. Use De-interlace filter on video content only if the source size is above 240x180 and it is interlaced. Use High quality resize if scaling is required. (file based encoding only). Avoid use of Noise Filters unless footage is very grainy or has lots of static. Again, do not use these filters if encoding via live capture.

Video Settings (Cropping and Resizing)

- § When encoding from larger clips: Use RealProducer's resizing and cropping functions.
- § Crop vertical blanking interval code out of frame if it exists. Be sure to maintain target frame size of 176x132.
- § Do not crop or resize if encoding via live capture. Use capture card or other upstream video hardware for this function.

Note: Restore Defaults

Clicking "Restore Defaults" in RealProducer 8 or 8.5 will also revert the video and/or audio codecs to 8.0. Please check all preferences and target audience settings often or you may end up with Real 8 content.

Audio Only Content for General AOL Audiences Example Audio Clip

When producing audio only content, the following requirements apply.

Audio Codec: RealAudio G2

Stream Type: Multi-Rate SureStream

Audio Format: Choose setting that is appropriate for content.

Encoding Specifications & Conditions:

- § **Minimum Required Target Audiences:** 28K Modem and 56K Modem. (20kbps and 32kbps respectively). Every clip MUST contain these bit rates in addition to any additional bit rates up to the maximum.
- § **Maximum Allowable Target Audience:** Corporate LAN. (96kbps Mono / 132kbps Stereo) is the maximum allowed for general audience audio only content.

Encoding Preferences: The following settings are specific to RealProducer Plus. If using other software, please use equivalent settings as applicable:

- § **General Preferences:** Recording, Indexing, Downloading should all be unchecked.
- § **SureStream Preferences:** Do not add 5.0 capability. Emphasize Audio.
- § **Video Codec Preferences:** N/A
- § **Filters:** N/A

AOL PLUS - Broadband Encoding Specifications

Hosting Requirements

To assure a high quality and consistent user experience, all streaming media must be hosted or co-located on the AOL PLUS streaming complex. The maximum allowable bit rate for streaming media on the AOL complex is 350 kilobits per second (kbps). This limit is in place to protect both the individual user experience (in localized congestion situations) and the total streaming audience (by not taxing network and server performance throughout the chain).

Encoding Specifications

Currently, we allow ONLY RealVideo G2 with SVT (aka Real 7) format for video, and RealAudio G2 for audio. Real 8 is not currently available to AOL users, an update will soon make that possible however until that time all content must be encoded in Real G2 with SVT and Real Audio G2.

Real Video G2 with SVT (Real 7) for AOL PLUS Example Video Clip

Frame Size: 240w x 180h

Video Codec: RealVideo G2 with SVT

(G2 with SVT is the minimum required video codec for AOL PLUS content. The original "Real G2" is not optimized for broadband content, which can overtax the CPUs of slower client machines.)

Audio Codec: RealAudio G2

Stream Type: Multi-Rate SureStream

Audio Format: Choose setting that is appropriate for content.

Video Quality: Normal Motion Video.

Target Audiences: (use these audiences only, do not add additional streams)

- ☒ Corporate LAN
- ☒ 256k DSL/Cable
- ☒ 384k DSL/Cable.

Please use, and do not exceed the current defaults in Real Producer 8.5. For those using other tools, these values are listed in the table below:

Target Audience	Audio	Video	Total Bit Rate
Corporate LAN	Do not exceed 32kbps on any setting. Select stereo codecs <u>only</u> when source material is stereo.	30fps	150kbps
256k DSL/Cable Modem	Do not exceed 44kbps on any setting. Select stereo codecs <u>only</u> when source material is stereo.	30fps	225kbps
384k DSL/Cable Modem	Do not exceed 64kbps on any setting. Select stereo codecs <u>only</u> when source material is stereo.	30fps	350kbps

Encoding Preferences: The following settings are specific to RealProducer Plus. If using other software, please use equivalent settings as applicable:

- ☒ General Preferences: Recording, Indexing, Downloading should all be unchecked.
- ☒ SureStream Preferences: Do not add 5.0 capability. Emphasize Audio.
- ☒ Video Codec Preferences: RealVideo G2 with SVT. If offered in the encoding tool being used, utilize 2-Pass Encoding and Variable Bit Rate Encoding (VBR) on all static file encoding. Do not use them if encoding via live capture. Use of Loss Protection not recommended.
- ☒ Filters: If offered in the encoding tool, use Inverse Telecine filter only when content is 100% from a film source, leave it off for mixed content. Use De-interlace filter on video content if it is interlaced. Use High quality resize if scaling is required. (file-based encoding only). Avoid use of Noise Filters unless footage is very grainy or has lots of static. Again, do not use these filters if encoding via live capture.

Video Settings (Cropping and Resizing)

- § When encoding from larger clips: Use RealProducer's resizing and cropping functions.
- § Crop vertical blanking interval code out of frame if it exists. Be sure to maintain target frame size of 240x180.

Do not crop or resize if encoding via live capture.

Note: Restore Defaults

Clicking "Restore Defaults" in RealProducer 8 or 8.5 will also revert the video and/or audio codecs to 8.0. Please check all preferences and target audience settings often.

Audio Only Content for AOL PLUS Example Audio Clip

If audio-only content is to be offered on AOL PLUS, it should adhere to the following specifications...

Audio Codec: RealAudio G2

Stream Type: Single Rate or Multi-Rate SureStream (conditions defined below)

Audio Format: Choose setting that is appropriate for content.

Encoding Specifications & Conditions:

64kbps is the minimum acceptable bit rate for AOL PLUS audio-only content.

264kbps is the maximum allowed for audio-only content.

- § If encoding single-rate audio-only content for AOL PLUS, the target audience of DUAL ISDN with a 64kbps audio codec is both the minimum and the maximum setting allowed unless using SureStream (below).
- § If encoding a clip for multiple audiences, one of which will include AOL PLUS, Multi-Rate SureStream must be used, and a target audience of DUAL ISDN with a 64kbps audio codec must be included.
- § If desired, higher bit rates may be added in addition to the required 64kbps stream in a Multi-Rate SureStream file. But may not exceed the 384k DSL/Cable target audience, with a bit rate of 264kbps.

Encoding Preferences: The following settings are specific to RealProducer Plus. If using other software, please use equivalent settings as applicable:

- § **General Preferences:** Recording, Indexing, Downloading should all be unchecked.
- § **SureStream Preferences:** Do not add 5.0 capability. Emphasize Audio.
- § **Video Codec Preferences:** N/A
- § **Filters:** N/A

Exhibit C

Confidentiality Agreement

CONFIDENTIALITY AGREEMENT

To: **Ivlewit, Inc.**
Attention: **Elliot Bernstein**
2255 Glades Road, Suite 337-W
Boca Raton, Florida 33431-7360

The undersigned acknowledges and agrees that any and all Proprietary Information" provided by or on behalf of ivlewit, Inc., a Delaware corporation, and its affiliates collectively the "Company", Simon L. Bernstein, Eliot I. Bernstein, or any officer, director, employee, agent or representative of the Company to the undersigned, or to which the undersigned otherwise gains access to, shall be subject to the terms and conditions of this Agreement. "Proprietary Information" means all confidential materials and information (regardless of the form of such information, including without limitation, in writing, electronic, computerized or other recorded form, oral or visual) marked as "Confidential" or with other similar types of markings or, if disclosed orally, confirmed in writing as "Confidential" within thirty (30) days that the undersigned may receive or learn of now or in the future concerning, or related in any way to, the Company, its technology, or its business, including without limitation: (i) the contents of any Business Plan, projections or financial or credit information or data relating to the Company; (ii) the contents of any manuals or written materials of the Company; (iii) the names and records of actual or prospective clients, customers, suppliers, tenders, financing sources, or related persons; (iv) the terms of various agreements between the Company and third parties; (v) any data or database, or other information compiled or developed by the Company; (vi) any computer programs and listings, source codes and/or object codes, file structures, trademarks, trade secrets, patents, patent designs, patent applications, copyrights, forms, procedures, processes, training methods, developments, technical information, marketing activities and procedures and methods of operation, methodologies and processes for the display of video on the World Wide Web, together with any other information, data, know-how or knowledge of a confidential or proprietary nature; and (vii) any information of a type described above derived or obtained from the internet or any website of the Company, including without limitation, the file structure relating to such website or the content of such website. Notwithstanding the foregoing, the term "Proprietary Information" does not include information which (i) is already known to the undersigned or in the undersigned's possession, (ii) is or becomes generally available to the public other than as a result of a disclosure by the undersigned, or (iii) becomes available to the undersigned on a non-confidential basis from a source other than the Company or its representatives, provided that such source is not known, to be bound by a confidentiality agreement with, or other obligation of secrecy to, the Company, or, (iv) is independently developed by the undersigned without violating this Agreement. The undersigned shall bear the burden of demonstrating the availability of any of the exceptions set forth in the preceding sentence.

The undersigned acknowledges that the Proprietary Information constitutes valuable, special and unique assets of the Company. The undersigned agrees (a) to receive in trust, and treat as confidential, the Proprietary Information; (b) not to use any of the Proprietary Information for any purpose without the prior written consent of Brian Utley, Simon L. Bernstein or Eliot Bernstein on behalf of the Company; (c) not to disclose any of the Proprietary Information to anyone (other than to such of the undersigned's employees or

advisors who have a need to know such (information for the sole purpose of assisting the undersigned in evaluating such Information; provided that the undersigned shall be liable for any breach of confidentiality or use by such employees or advisors) without the prior written consent of Brian Utley, Simon L. Bernstein or Eliot Bernstein on behalf of the Company; (d) not to reproduce, store or copy any Proprietary Information in any form (other than as necessary to evaluate such Proprietary Information) without the prior written consent of Brian Utley, Simon L. Bernstein or Eliot Bernstein on behalf of the Company; in the event that the parties do not proceed to an agreement, all items including all duplicates and copies will be returned to the company or proof of their destruction will be provided, and (e) not to fax, distribute or reverse engineer any Proprietary Information. The undersigned understands that all Proprietary Information is confidential and that all rights, title and interest in the Proprietary Information is and shall remain the exclusive property of the Company, and no license or other rights are being granted to the undersigned by the Company.

The undersigned further agrees that the Company shall be entitled to equitable relief, including injunction, in the event of any breach of this Confidentiality Agreement, that the granting of such relief will not be opposed and that such relief shall not be the exclusive remedy for such breach. Furthermore, the undersigned agrees to defend and hold harmless the Company from any loss, cost, expense (including attorney's fees and litigation expenses), claim, liability, or damage arising from or related to a breach of this Confidentiality Agreement.

This Agreement shall expire three (3) years from the date of execution.

This Confidentiality Agreement shall be governed by California law.

The undersigned has executed this Confidentiality Agreement as of the date set forth below.


By:

Print Name:

Title:

Company:

Date:



Tim Noonan
General Manager / SVP
Warner Bros. Online
August 14, 2001

Exhibit D

WBOL Standard Terms and Conditions

WARNER BROS. ONLINE

STANDARD TERMS AND CONDITIONS

1. **GENERAL SCOPE OF AGREEMENT:** The specific Services and/or the Work (collectively, the "Content") provided by Company to WB Online are set forth in the signed agreement attached hereto. In the event of conflict between these Standard Terms and Conditions and the specific terms and conditions set forth in the signed agreement attached hereto, then the signed agreement shall govern with respect to the conflicting term only. Any terms not specifically defined herein shall be defined as set forth in the attached agreement.

2. **CONTRACTORS:**

2.1 Company shall select and shall have full and complete control of, and responsibility for, any and all Contractors, provided that Company provides WB Online advance written notice of its intention to utilize another individual or entity to perform all or part of the Services under this Agreement. The Work performed by each such Contractor for Company shall be a work made for hire for, or shall be otherwise assigned to, the Company and Company shall obtain all rights and interests in and to the Work as it relates to the Project from each such Contractor, and, to the extent specified elsewhere herein, hereby transfers such rights and interests to WB Online for all such Work. None of said Contractors shall be, or shall be deemed to be, the agent, employee or subcontractor of WB Online for any purpose whatsoever, and WB Online shall have no duty, liability or responsibility of any kind to or for the acts or omissions of Company or such Contractors, or any of them.

2.2 If Contractors or any third parties who are not employees of Company make or have made any contribution in connection with the Project, the Services or the Work ("Copyrighted Materials") so that they might be deemed to be "Authors" of the same as that term is used in present or future United States copyright statutes, Company agrees to obtain from such parties, at the commencement of such work, a full assignment of rights in the form of the "Contributor's Agreement" attached hereto as Exhibit [X] so that full rights in the particular Copyrighted Material, free of any claims, interest, or rights of such third parties, shall vest in WB Online. Company shall not permit any of its employees to obtain or reserve by oral or written employment agreements any rights as "Authors" in the Copyrighted Materials. At WB Online's request, Company agrees to furnish WB Online with full information concerning the creation of the Copyrighted Materials and with copies of assignments of rights obtained from third parties.

3. **RELATIONSHIP OF THE PARTIES:**

3.1 Company agrees and acknowledges that Company is not authorized to enter into any commitments on behalf of WB Online, or to bind it in any way. Company shall not at any time take any actions or represent to any third parties that Company or its Contractors have any such authority or right. Unless otherwise agreed in writing, signed by both parties hereto, Company and its Contractors shall provide the Services required hereunder using its own equipment and materials at the place of Company's choosing. If Company or its Contractors visits WB Online's premises in the course of performing the Services hereunder, such Services will only be performed in conference rooms, guest offices or workstations, or other common areas, and no personal property of Company or its Contractors shall be left in those areas.

3.2 Provided that Company adequately performs the Services required hereunder on a timely basis and in accordance with the reasonable deadlines established by WB Online, Company shall have no obligation to work during any particular hours or schedule. Following any termination of this Agreement, Company shall fully cooperate with WB Online in all matters relating to the winding up of Company's Services and the orderly transfer of any documents or other information associated with those Services and/or the related Work to such person or persons as WB Online may designate. If WB Online has provided Company or its Contractors with a temporary access pass to any office or facility, the pass shall be returned upon the earlier of completion of the Services or termination of this Agreement.

3.3 With respect to the payments to be made under this Agreement, Company is solely responsible for federal, state, and/or local income, self-employment or payroll taxes, interest, assessments and penalties, if any, that are or will become due and payable in connection with Company's performance of the Services for WB Online and the payments to be made by WB Online under this Agreement.

3.4 WB Online makes no representations or warranties regarding Company's tax obligations or liabilities concerning such payments. Without limiting paragraph 3 of these Standard Terms and Conditions, Company hereby agrees to defend, indemnify and hold WB Online harmless from and against all liabilities, losses, costs, expenses, interest, payments and penalties which may result from Company's receipt of any such fees in the event such payment should later be determined to be taxable. Except as

herein expressly provided, WB Online shall have no obligation to make any other payments to Company. Company shall remain fully liable and responsible for paying any and all costs and expenses incurred by its Contractors.

- 3.5 Company warrants and represents that it has obtained, and will maintain during the Term, any required workers' compensation coverage for any individuals who provide Services under this Agreement (and it being understood that, for the purposes of workers' compensation coverage only, WB Online is deemed to be the "special employer," and Company the "general employer" of any such individuals). In addition, Company agrees to accept exclusive liability for the payment of taxes or contributions for unemployment insurance, retirement pensions, annuities or social security payments which are measured by the wages, salaries or other remuneration paid by Company to such Contractors, if any, and to defend and indemnify WB Online for any such taxes, contributions or penalties which WB Online may be compelled to pay. Company also agrees to comply with all valid administrative regulations respecting the assumption of liability for such taxes and contributions.
- 3.6 The relationship of Company and WB Online established by this Agreement is that of independent contractors, and nothing contained in this Agreement shall be construed to give either party the power to direct and control the day-to-day activities of the other, constitute the parties as partners, joint venturers, co-owners, agents or otherwise as participants in a joint or common undertaking, or allow either party to create or assume any obligation on behalf of the other party for any purpose whatsoever. All financial obligations associated with each party's business are the sole responsibility of that party.
- 3.7 Company expressly acknowledges and agrees on behalf of its Contractor(s), if any, that the Services rendered pursuant to this Agreement (and any other previous period(s) of Services rendered for WB Online by Company in a consultancy capacity), if any, will not form the basis for any rights of eligibility, vesting or participation for Company's Contractor(s), if any, in any fringe benefits afforded to any employees of WB Online, even if this Term or other periods of Service as a consultant are subsequently reclassified by a third party as a period of employment with WB Online for any other purpose.

4. **WORK FOR HIRE:** Company represents, warrants and agrees that, except with respect to the Materials or any other materials that may be within the public domain, all Content, including, but not limited to all pictorial, graphic, visual, audio, audio-visual, digital, literary, artistic, dramatic, sculptural, musical or any other type of creations, inventions, improvements, discoveries, applications, and physical material (including cartons, containers, packing and wrapping materials, tags, labels, devices, advertising, promotional or display materials), whether in writing or not, finished or not, at any time heretofore or hereafter, which are, in whole or in part, conceived, created, developed, written, produced, contributed and/or first reduced to practice by Company which result from any of the Services Company has performed or may perform for WB Online, or which are or may be in any way related to the Services hereunder and which relate in any manner to the actual or anticipated business of WB Online, shall be owned by WB Online, concepts, theories, drawings, drafts, designs, sketches, images, illustrations, film, video, electronic, digitized or computerized information or files, software, object or source codes, on-line elements, music, text, dialogue, stories, visuals, effects, scripts, voiceovers, logos, one-sheets, promotional pieces, premiums, in-store displays and fixtures, printed materials, photographs, interstitials, notes, shot logs, character profiles, instructions, and translations are being specially ordered by WB Online and WB Online shall be considered, forever and for all purposes throughout the universe, the author and the sole copyright owner thereof, and the owner of all rights therein and of all proceeds derived therefrom and in connection therewith, with the right to make such changes therein and such uses and disposition thereof, in whole or in part, as WB Online may from time to time determine as the author and owner thereof (the "Rights"). If and to the extent that the foregoing provisions do not operate to vest fully and effectively in WB Online all or any of such Rights, Company hereby grants and assigns to WB Online all rights of every kind and nature whether now or hereafter known or created which may not have vested (and so far as may be appropriate by way of immediate assignment of future copyright) throughout the universe in perpetuity. Such assignment is irrevocable, royalty-free, perpetual (or for the maximum period allowed by applicable law (if less than perpetuity)), and worldwide upon the creation and fixation into tangible form of the Work or such other materials. Such assignment is without consideration, other than the mutual covenants and considerations of this Agreement. To the extent allowable by applicable law, Company hereby waives all moral rights in connection with such Works, together with any other rights which are not capable of assignment or transfer, and Company authorizes WB Online and its affiliates and designees to use such rights without limitation in perpetuity (or for the maximum period allowed by applicable law (if less than perpetuity)), throughout the universe. Company agrees to execute any further documentation relating to such transfer or waiver at the request of WB Online, failing which WB Online is authorized to execute same as an attorney-in-fact, which power Company acknowledges is coupled with an interest.

5. **CONTENT RESTRICTIONS:** The Content shall not contain any information or material that, in WB Online's sole judgment, may be in bad taste or in violation of law, may constitute libel or slander, may be inconsistent with WB Online's public image, may fail to meet community standards regarding obscenity or

indecent, or may tend to bring disparagement, ridicule, or scorn upon WB Online, Warner Bros. or any affiliated and/or subsidiary companies (such content collectively referred to herein as "Prohibited Content"). WB Online may, in its sole discretion, and without prejudice to any other rights WB Online may have against Company (including without limitation, those set forth in paragraph 8 of these Standard Terms and Conditions), immediately remove Prohibited Content from the Work. WB Online shall not be liable for any damages incurred by Company because of any such action.

6. GENERAL OBLIGATIONS OF COMPANY:

- 6.1 Company shall promptly comply with all laws, ordinances, orders, rules, regulations, and requirements of all federal, state, and municipal governments and appropriate departments, commissions, boards, and offices thereof, and with all applicable laws of other countries, nations or territories, if any, at its sole cost and expense.
- 6.2 If Company serves the Content, Company shall maintain adequate server capacity and transmission bandwidth to ensure that the quality of service is no worse than the Keynote Business 40 Internet Performance Index (www.keynote.com).
- 6.3 Company shall pay promptly when due all obligations incurred directly or indirectly in connection with this Agreement, including but not limited to, all taxes and assessments, any and all royalties or residuals which may be owing, and all accounts and other indebtedness of every kind and character incurred by or on behalf of Company.

7. WARRANTY: Company represents and warrants as follows:

- (a) The use of the Content by WB Online, as set forth in this Agreement:
 - (i) complies with all applicable laws and regulations;
 - (ii) does not require any payment, accordance of credit or the performance of any other obligations by WB Online to any third party;
 - (iii) does not infringe, violate or misappropriate any copyright, trademark, patent, trade secrets or agreements or any other rights of any third persons, including but not limited to, rights of privacy or publicity; and
 - (iv) does not violate any agreement or covenant between Company and any third party.
- (b) The Work will be delivered free and clear of any liens, claims, charges, limitations, restrictions or encumbrances of any kind and bugs, worms, viruses or errors of any kind and shall be of first class technical quality. Company will remain responsible for repairing any errors in the Work.
- (c) The Content hereunder is and will be original with Company.
- (d) Company has all rights necessary to grant to WB Online the rights granted hereunder and all rights necessary to grant to WB Online the rights to exhibit, display or utilize the Content in any manner consistent with this Agreement.
- (e) The Work shall be free of any "Computer Virus" or other "Unauthorized Code," "Self-Help Code" or similar software or hardware device(s). "Computer Virus" shall be defined as any program or data incorporated into the Work or otherwise delivered to WB Online by Company that disrupts the proper operation of a computer hardware system or the associated software. "Unauthorized Code" shall mean any Computer Virus, Trojan horse, worm, software lock or other software routines or hardware components designed to permit unauthorized access; to disable, erase, or otherwise harm software, hardware or data; to cause any portion of the Work, upon the occurrence of a certain event, the passage of a certain amount of time, or the taking of any action (or the failure to take action), to be destroyed, erased, damaged or otherwise altered or made inoperable in the course of the authorized use by WB Online of the Work according to the terms of this Agreement; to provide Company or any unauthorized third party with information of any kind regarding users of the WB Online Network (including, by way of example only, through the use of "cookies"); or to superimpose additional messages, statements, tag lines, metatags, advertisements, trademark notices, indicia of authorship or ownership on or in any portion of the Work without WB Online's prior written approval. "Self-Help Code" shall mean any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of an unauthorized person.

8. **INDEMNIFICATION:** Company shall indemnify and hold WB Online and any of its owners, principals, employees, licensees, partners, officers, directors, shareholders, agents, affiliates, successors, assigns, and representatives (collectively "WB Online's Indemnified Parties") harmless from and against all charges, claims, liabilities, damages, judgments, losses and expenses of any kind or nature whatsoever (including reasonable attorneys' fees and costs) which may be sustained or suffered by or secured against WB Online or WB Online's Indemnified Parties, by anyone other than Company, arising out of or relating to: (a) the use, display, exhibition, transmission or reproduction of any part of the Content; or (b) any negligent act, misfeasance, or nonfeasance by Company or any of its agents, contractors, servants, employees, or licensees; or (c) the breach or alleged breach of Company's representations, warranties or agreements herein. At WB Online's request, Company shall provide a defense for WB Online, and WB Online's Indemnified Parties in any such action or proceeding, actual, threatened, or potential and shall consult with WB Online in conducting such defense (or, at WB Online's election, reimburse WB Online for reasonable fees and costs of WB Online's own counsel).

9. **DEFAULT AND TERMINATION:**

9.1 WB Online may terminate this Agreement at any time after Company is in default of this Agreement. Company shall be in default of this Agreement if it breaches any of its covenants, representations, warranties or obligations, or any other material provision hereof and fails within ten (10) business days after receipt of written notice of default to correct such default.

9.2 **Limitation on Remedies.** All rights (including, without limitation, the Rights) granted or agreed to be granted to WB Online hereunder shall be irrevocably vested in WB Online and shall not be subject to rescission by Company for any cause whatsoever. Company acknowledges that in the event of a breach of any of WB Online's representations, warranties, agreements or obligations under this Agreement, the damage, if any, caused to Company thereby shall not be irreparable or otherwise sufficient to give rise to a right to injunctive or other equitable relief. Company acknowledges that Company's rights and remedies in the event of a breach of this Agreement by WB Online shall be limited to the right, if any, to recover damages in an action at law and in no event shall Company be entitled by reason of any such breach to rescind this Agreement or any rights granted to WB Online hereunder or to enjoin or restrain the distribution or exploitation of any program produced hereunder or to enjoin or restrain the use or exploitation of the Work.

9.3 WB Online shall have the unilateral right to terminate this Agreement without prejudice to any rights which it may have, whether pursuant to the provisions of this Agreement, or otherwise in law, or in equity, or otherwise, upon the occurrence of any one or more of the following events or defaults:

- (a) Company shall file any petition under the bankruptcy or insolvency laws of any jurisdiction, country or place, or shall have or suffer a receiver or trustee to be appointed for its business or its property, or be adjudicated as bankrupt or insolvent, or if proceedings for a composition with creditors should be instituted against Company and remain undiminished for a period of sixty (60) days, or if proceedings for a composition with creditors should be instituted by Company, or if a final judgment rendered against Company remains unsatisfied or of record for ninety (90) days or longer, or if Company is dissolved or if execution is levied against a substantial portion of Company's business or property, and Company fails to cure the breach to WB Online's satisfaction within ten (10) business days after receipt of notice of such breach.
- (b) Company undergoes a substantial change of management or control; or
- (c) Company breaches any other covenant or agreement in effect between Company and WB Online and fails to cure such breach within ten (10) business days after receipt of notice of such breach; or
- (d) Company fails to meet its obligation to deliver any aspect of the Content at the contracted time; or
- (e) Any clause relating to payment of fees to WB Online is declared to be invalid, void or unenforceable as set forth in paragraph 22.

10. **EQUITABLE REMUNERATION AND CONTINGENT COMPENSATION:**

10.1 WB Online, Company and Company's Contractors, if any, acknowledge and agree that the Rights include the rental right as that term has been defined by the European Union's Directive on Rental and Lending Rights and that three and eight-tenths percent (3.8%) of the fixed compensation and, if applicable, three and eight-tenths percent (3.8%) of the contingent compensation provided for in this Agreement is allocated as equitable remuneration for such rental right.

10.2 In the event that WB Online assigns the Rights to a third party that is a signatory of any collective bargaining or industry-wide agreements, that assignee may be responsible for paying the following as

additional equitable remuneration of the rental right: (a) any sums payable to Company or Company's Contractor(s), if any, with respect to the rental right under any applicable collective bargaining or other industry-wide agreement, if any; and (b) the residuals payable to Company or Company's Contractor(s), if any, under any such collective bargaining or industry-wide agreement, if any, with respect to home video exploitation which are reasonably attributable to sale of home video devices for rental purposes in the territories or jurisdictions where the rental right is recognized. If under the applicable law of any territory or jurisdiction, any additional or different form of compensation is required to satisfy the requirement of equitable remuneration, then it is agreed that the grant to WB Online of the rental right shall nevertheless be fully effective, and WB Online shall pay Company such compensation or, if necessary, the parties shall in good faith negotiate the amount and nature thereof in accordance with applicable law.

10.3 Inasmuch as WB Online has paid or agreed to pay Company, on behalf of its Contractor(s), if any, equitable remuneration for the rental right, Company and Company's Contractor(s), if any, hereby assign to WB Online all compensation for the rental right payable or which may become payable to Company or Company's Contractor(s) on account or in the nature of a tax or levy, through a collecting society or otherwise.

10.4 In the event WB Online exercises its right to assign this Agreement to a third party, during the term of such assignment and to the extent that such requirement may be lawful, Company and Company's Contractor(s) may assign to WB Online's assignee equitable remuneration for the rental right, Company and Company's Contractor(s), if any, hereby assign to WB Online, except to the extent specifically reserved to Company or Company's Contractor(s) under any applicable collective bargaining or other industry-wide agreement, all compensation for the rental right payable or which may become payable to Company or Company's Contractor(s) on account or in the nature of a tax or levy, through a collecting society or otherwise.

10.5 Since under this Agreement WB Online has paid or agreed to pay Company, on behalf of Company's Contractor(s), if any, full consideration for all services rendered and rights granted hereunder, Company and Company's Contractor(s) hereby assign to WB Online all other compensation payable or which may become payable to Company or Company's Contractor(s) on account or in the nature of a tax or levy, through a collecting society or otherwise, under the applicable law of any territory or jurisdiction, including by way of illustration only, so-called blank tape and similar levies.

10.6 In the event WB Online exercises its right to assign this Agreement to a third party, during the term of such assignment and to the extent that such requirement may be lawful, Company and Company's Contractor(s) may assign to WB Online's assignee all other compensation (for services rendered by Company and Company's Contractor(s) for the assignee) payable or which may become payable to Company or Company's Contractor(s) on account or in the nature of a tax or levy, through a collecting society or otherwise, except to the extent specifically reserved to Company or Company's Contractor(s) under any applicable collective bargaining or other industry-wide agreement, under the applicable law of any territory or jurisdiction, including by way of illustration only, so-called blank tape and similar levies.

10.7 Company and Company's Contractor(s) shall cooperate fully with WB Online and/or its assignees, if any, in connection with the collection and payment to WB Online and/or its assignees of all such compensation.

11. **SERVICES AND CONTENT UNIQUE:** Company acknowledges that the Content and the Rights herein granted are of a special, unique, unusual, extraordinary and intellectual character giving them a peculiar value, the loss of which cannot be reasonably or adequately compensated in damages in an action at law, and that any failure by Company to comply with Company's material representations, warranties and/or agreements herein may cause WB Online irreparable injury and damage. Company agrees that WB Online shall be entitled to injunctive and other equitable relief to ensure compliance with such representations, warranties and/or agreements.

12. **NO WAIVER:** The waiver by the parties of any breach or default, or series of breaches or defaults, of any term, covenant, or condition herein shall not be deemed a waiver of any subsequent or continuing breach or default of the same or any other term, covenant, or condition contained in this Agreement. No such waiver shall be effective unless set forth in a writing signed by the party being charged with the waiver.

13. **OWNERSHIP AND USE OF URLS AND MEMBER DATA.** As between Company and WB Online, WB Online shall have the exclusive right to own, control, license, maintain and use any and all user traffic throughout the WB Online website (www.warnerbros.com) or any of its affiliated websites or any website owned or controlled by an affiliate company of WB Online, and any other place where the AOL Time Warner brands appear ("WB Online Network") and URLs or other names, designs or branding established for the WB Online Network (excluding designs or trademarks owned by Company). WB Online shall be entitled to own,

report and claim as its own all traffic, visitors to the WB Online Network and registered users (if any) within the WB Online Network. The Privacy Notice and Terms of Use posted at www.warnerbros.com shall govern any and all uses of any information concerning traffic, all member data, all demographic information and so-called click-stream data that may result from registrations of members or visits to the website or any other part of WB Online data.

14. **NO GUARANTEE:** Except as set forth in this Agreement, WB Online does not represent, warrant, or guarantee that WB Online will use the Content or that Company will receive or experience any revenues or profits in connection with the use of the Content. If WB Online decides to use the Content, it may decide to remove the Content at anytime for any reason without any liability to Company except for payments previously incurred and due under this Agreement prior to such removal.

15. **NO INDIVIDUAL LIABILITY:** No member, officer, director, principal, stockholder, general or limited partner, joint venturer, beneficiary, trustee, representative, consultant, volunteer participant, employee, agent or representative of WB Online shall be personally liable to Company under any term or provision of this Agreement for WB Online's payment obligations or otherwise, or because of any breach hereof, Company agreeing to look solely to the assets of WB Online for all satisfaction of any liability of WB Online hereunder. In no event shall WB Online be liable to Company except for payment for Services rendered pursuant to and in accordance with this Agreement, nor shall WB Online ever be liable to Company for indirect or consequential damages.

16. **INSURANCE:** Company shall have or obtain, within thirty (30) days of the signature of this Agreement, and shall maintain in full force and effect at all times during the Term at Company's expense, insurance policies, protecting Company, WB Online and WB Online's Indemnified Parties against reasonably foreseeable claims including, but not limited to, Workers' Compensation, liability insurance, publishers liability, errors and omissions, and business interruption claims and in such amounts and for such periods as are reasonable and appropriate. Upon WB Online's request, Company shall also provide WB Online with a copy of all such policies.

17. **CONFIDENTIALITY:** The parties acknowledge that by reason of their relationship to each other hereunder, each shall have access to certain information and materials concerning the other's business, plans, customers, technology and products that is confidential and of substantial value to that other party, which value would be impaired if such information were disclosed to third parties ("Confidential Information"). Confidential Information of WB Online includes, without limitation, the technical parameters of the service provided by WB Online whether or not so marked, and all business related information with regard to the organization of WB Online, the WB Online Network, and any of its affiliates, successors or assigns. Each party agrees that it shall not use in any way, for its own account or the account of any third party, except as expressly permitted by this Agreement, nor disclose to any third party, any such Confidential Information revealed to it by the other party and shall take every reasonable precaution to protect the confidentiality of such confidential information. Each party agrees not to disclose any financial terms or specific clauses of this Agreement to any third party without the other's prior written consent in its sole discretion, except as required by securities or other applicable laws (in which case each party shall notify the other party of such disclosure in writing) and to such party's accountants, attorneys and other professional advisors.

18. **PUBLICITY RESTRICTIONS:** Company shall not authorize, circulate, publish or otherwise disseminate any news story, articles or other publicity of any kind, containing WB Online's name and/or relating to Company's engagement hereunder, the subject matter of this Agreement, the Project, the Work or the Services to be rendered by Company or others in connection with the Project, unless the same are first approved in writing by WB Online, which approval may, in the discretion of WB Online, be withheld.

19. **ASSIGNMENT OR TRANSFER:** Company shall not assign this Agreement or any of Company's obligations or benefits hereunder. This Agreement may be assigned freely by WB Online and such assignment shall be binding upon the undersigned and inure to the benefit of such assignee and such assignment shall be deemed a novation forever releasing and discharging WB Online from any further liability or obligation to Company. This Agreement and the provisions hereof shall be binding at all times upon and inure to the benefit of the parties hereto, their successors and permitted assigns. Any attempted assignment in violation of the provisions hereof shall be void *ab initio* and the putative assignee shall obtain no rights by reason thereof. No rights hereunder shall devolve by operation of law or otherwise upon any receiver, liquidator, trustee or other party. This Agreement is made solely and specifically between and for the benefit of the parties hereto, and their respective successors and assigns (subject to the express provisions hereof relating to successors and assigns), and is not intended to confer benefits upon, or create new rights in favor of any person other than the parties hereto.

20. **AMENDMENT OR MODIFICATION:** This Agreement may not be amended, modified, enlarged, altered, or changed in any way except by a subsequent written agreement signed by all parties to this Agreement.

21. **SURVIVAL OF COVENANTS:** The covenants relating to liability, works made for hire, confidentiality, press statements and indemnification with respect to any provision of this Agreement shall survive any expiration, cancellation, or termination of this Agreement.
22. **SEVERABILITY:** If any term, provision, covenant, or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the terms, provisions, covenants, or restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated; provided, however, that in the event any part hereof relating to the payment of fees to WB Online is for any reason declared invalid or unenforceable, WB Online shall have the option of immediately terminating this Agreement upon written notice to Company.
23. **CUMULATION OF REMEDIES:** The remedies provided in this Agreement are cumulative. A party who exercises a right or remedy will not be precluded from asserting any other right or from seeking any other remedies available to that party.
24. **ILLEGALITY:** Nothing contained herein shall require the commission of any act or the payment of any compensation which is contrary to law, and if there shall exist any conflict between any provision contained herein and any such law, the latter shall prevail.
25. **FORCE MAJEURE:** WB Online and Company shall each be excused from performance hereunder, upon the receipt of notice of an event of Force Majeure, to the extent that performance is prevented, delayed, or obstructed by an event of Force Majeure. As used herein, Force Majeure shall mean causes beyond WB Online's or Company's reasonable control, including but not limited to acts of God (fire, storm, floods, earthquakes, etc.), explosions, civil disturbances, acts of public enemy, actions of the elements, general strikes, general labor disputes, war, sabotage, acts of hackers, total or partial condemnations or orders of government, civil or military activities (but excluding, however, the inability to obtain monies), disruption of the Internet or its commercial successors using switched packet technology or other wireless telecommunications or other essential services, or interruption or termination of service by an Internet access company being used by WB Online to link to the Internet. In the event of an interruption or termination of service by the Internet access provider being used by WB Online to link to the Internet, WB Online shall take commercially reasonable measures to obtain alternate access to the Internet, but shall not be liable for any damages to Company caused by any disruption in service.
26. **GOVERNING LAW:** This Agreement shall be deemed to have been negotiated and entered into in the State of California and shall be governed by and construed in accordance with the laws of the United States of America and of the State of California (other than their rules of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby). With respect to any suit, action or proceedings relating to this Agreement, each party irrevocably: (a) submits to the jurisdiction of the State of California and of the United States District Court located in the Central District of California; (b) waives any objection which it may have at any time to the laying venues of any such suit, action or proceedings brought in any such court; (c) waives any claim that any such suit, action or proceedings have been brought in an inconvenient forum; and (d) further waives the right to object in such suit, action or proceedings on the grounds that such court does not have jurisdiction over such party. Any process served in connection with any proceeding to resolve any suit, action or proceedings may be served upon the party to be served by registered or certified mail directed to the party at the address designated in this Agreement. Any such services shall have the same effect as personal service within the State of California. The foregoing shall not preclude any party hereto from seeking enforcement outside California of any order or judgment rendered by any California court. In any action brought under this Agreement, the prevailing party shall be entitled to recover its actual costs and attorney fees pursuant to California Civil Code section 1717 and all other litigation costs, including expert witness fees, and all actual attorney fees and litigation costs incurred with the enforcement of a judgment arising from such action or proceeding.
27. **COUNTERPARTS:** This Agreement may be executed in one or more counterparts, including those which are executed by facsimile, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement shall be binding when one or more counterparts, individually or taken together, bear the signatures of each of the parties reflected herein as signatories.
28. **EXHIBITS:** All exhibits, attachments, schedules and addenda referred to in this Agreement shall be considered as part of this Agreement as fully as if and with the same force and effect as if such exhibit, attachment, schedules or addendum had been included herein in full.
29. **APPROVALS:** All approvals to be given under this Agreement shall be given in writing; provided that, WB Online may, from time to time in its sole discretion, elect to provide approvals orally.

Exhibit [X]**[FORM OF]
CONTRIBUTOR'S AGREEMENT**

The undersigned ("Contributor") has been engaged by [] ("Company") to work on or contribute to services rendered to Warner Bros. Online ("WB Online"), a division of Time Warner Entertainment Company, L.P., in connection with [] (the "Work").

Contributor understands and agrees that the Work is to be deemed a "work made for hire" for WB Online and that all right and title in and to the Work shall vest in and remain with WB Online. Contributor reserves no rights therein. Without limiting the foregoing, Contributor hereby assigns and transfers to WB Online all copyrights (and all renewals, extensions and reversions thereof), neighboring rights, rental rights, related rights, trademarks, patents, proprietary rights and all other rights whatsoever, in perpetuity throughout the universe which Contributor may have or which may arise in Contributor in or in connection with the Work. Contributor hereby waives all moral rights in connection with the Work, together with any other rights that are not capable of assignment. Contributor warrants that the Work is and will be original with the Contributor in all respects, has not been and will not be exploited in any manner and/or medium, and does not or will not defame, or infringe upon the copyright, patent, privacy or any other right of, any person or entity, and is not the subject of any actual or threatened litigation or claim. Contributor further agrees to execute any further documentation relating to such transfer or waiver or relating to the Work at the request of WB Online or Company, failing which WB Online is authorized to execute same as Contributor's attorney-in-fact, which right Contributor acknowledges is coupled with an interest.

Contributor agrees not to make unauthorized disclosure or use of WB Online's Confidential Information, which includes without limitation the technical parameters of the services provided by Company whether or not so marked, and all business related information with regard to the organization of the Project which is the subject matter hereof, WB Online and any of its designees or affiliates ("Confidential Information"). Contributor shall take every reasonable precaution to protect the confidentiality of such Confidential Information.

Contributor:

Print or type name of Contributor - individual or company

Address of Contributor

Brief description of work or services to be performed by Contributor

By:

Signature of individual Contributor
or authorized representative of Contributor

Date:

Name:

Print name of authorized representative (if Contributor is a company)

Title:

Print title of authorized representative (if Contributor is a company)

AGREED AND ACCEPTED:

Warner Bros. Online,
a division of Time Warner Entertainment Company, L.P.

By:

Date:

**WBOL / Iviewit Technologies, Inc.
Binding Term Sheet**

This binding Term Sheet (this "**Term Sheet**"), dated as of February 15, 2001 (the "**Effective Date**"), is between Warner Bros. Online, a division of Time Warner Entertainment Company, L.P., a Delaware limited partnership ("**WBOL**"), and Iviewit Holdings, Inc., a Delaware corporation ("**Company**").

1. Company's Undertakings:

- 1.1. During the Term (as defined below), Company will, and will cause only its employees and third party contractors or consultants (such employees, contractors and consultants being hereinafter referred to collectively as "**Contractors**") to, provide and perform the Services (as defined below) in connection with the encoding of content for exhibition on the WBOL Network. For purposes of this Term Sheet, "**WBOL Network**" means, collectively, the websites located at the URL www.warnerbro.com and any other AOL Time Warner website, and any other website launched or serviced by WBOL, and any place where the AOL Time Warner brand appears.
- 1.2. For purposes of this Term Sheet, "**Services**" means and includes (i) capturing, processing and encoding video images from BetaSP, Digi-Beta, VHS, DV, and ¼" sources into Windows Media Streaming, QuickTime Streaming, QuickTime Progressive, and/or Real Streaming formats in a 320 x 240 frame size; (ii) dubs to and from Digi-Beta, Beta SP, DV, VHS, ¼", DVD, DAT and/or CD sources; (iii) video editing; and (iv) such other services related to the foregoing as reasonably requested by WBOL and reasonably agreed to by Company or otherwise necessary for Company to comply with its obligations under this Term Sheet.
- 1.3. For each project, WBOL will request the Services of Company by submitting a written description of the desired Services required by WBOL (each a "**WBOL Service Request**"), along with the WBOL content to be encoded or otherwise serviced by Company. WBOL shall deliver such content in certain standard formats to be mutually agreed upon by the parties. Each WBOL Service Request will set forth the dates by which the original WBOL content and the Work (defined below) must be returned to WBOL. Company shall have the right to reasonably accept or reject each WBOL Service Request. For purposes of this Term Sheet, "**Work**" shall mean any product of Company's Services pursuant to any WBOL Service Request, and the results and proceeds therefrom; provided, however, that "**Work**" shall not include Company's Proprietary Technology (as defined below), subject to Section 5.8.
- 1.4. For purposes of this Term Sheet, "**Company's Proprietary Technology**" shall mean (a) Company's proprietary encoding and processing technologies, including any improvements to or advances or inventions made by Company in such technologies on or following the Effective Date, whether in the course of performing Services for WBOL or otherwise; (b) all generic HTML files, JAVA

CONFIDENTIALITY AGREEMENT

To: Iviewit, Inc.
Attention: Elliot Bernstein
2255 Glades Road, Suite 337-W
Boca Raton, Florida 33431-7360

The undersigned acknowledges and agrees that any and all Proprietary Information" provided by or on behalf of Iviewit, Inc., a Delaware corporation, and its affiliates collectively the "Company", Simon L. Bernstein, Eliot I. Bernstein, or any officer, director, employee, agent or representative of the Company to the undersigned, or to which the undersigned otherwise gains access to, shall be subject to the terms and conditions of this Agreement. "Proprietary Information" means all confidential materials and information (regardless of the form of such information, including without limitation, in writing, electronic, computerized or other recorded form, oral or visual) marked as "Confidential" or with other similar types of markings or, if disclosed orally, confirmed in writing as "Confidential" within thirty (30) days that the undersigned may receive or learn of now or in the future concerning, or related in any way to, the Company, its technology, or its business, including without limitation: (i) the contents of any Business Plan, projections or financial or credit information or data relating to the Company; (ii) the contents of any manuals or written materials of the Company; (iii) the names and records of actual or prospective clients, customers, suppliers, tenders, financing sources, or related persons; (iv) the terms of various agreements between the Company and third parties; (v) any data or database, or other information compiled or developed by the Company; (vi) any computer programs and listings, source codes and/or object codes, file structures, trademarks, trade secrets, patents, patent designs, patent applications, copyrights, forms, procedures, processes, training methods, developments, technical information, marketing activities and procedures and methods of operation, methodologies and processes for the display of video on the World Wide Web, together with any other information, data, know-how or knowledge of a confidential or proprietary nature; and (vii) any information of a type described above derived or obtained from the internet or any website of the Company, including without limitation, the file structure relating to such website or the content of such website. Notwithstanding the foregoing, the term "Proprietary Information" does not include information which (i) is already known to the undersigned or in the undersigned's possession, (ii) is or becomes generally available to the public other than as a result of a disclosure by the undersigned, or (iii) becomes available to the undersigned on a non-confidential basis from a source other than the Company or its representatives, provided that such source is not known, to be bound by a confidentiality agreement with, or other obligation of secrecy to, the Company, or, (iv) is independently developed by the undersigned without violating this Agreement. The undersigned shall bear the burden of demonstrating the availability of any of the exceptions set forth in the preceding sentence.

The undersigned acknowledges that the Proprietary Information constitutes valuable, special and unique assets of the Company. The undersigned agrees (a) to receive in trust, and treat as confidential, the Proprietary Information; (b) not to use any of the Proprietary Information for any purpose without the prior written consent of Brian Utley, Simon L. Bernstein or Eliot Bernstein on behalf of the Company; (c) not to disclose any of the Proprietary Information to anyone (other than to such of the undersigned's employees or

advisors who have a need to know such (information for the sole purpose of assisting the undersigned in evaluating such Information; provided that the undersigned shall be liable for any breach of confidentiality or use by such employees or advisors) without the prior written consent of Brian Utley, Simon L. Bernstein or Eliot Bernstein on behalf of the Company; (d) not to reproduce, store or copy any Proprietary Information in any form (other than as necessary to evaluate such Proprietary Information) without the prior written consent of Brian Utley, Simon L. Bernstein or Eliot Bernstein on behalf of the Company; in the event that the parties do not proceed to an agreement, all items including all duplicates and copies will be returned to the company or proof of their destruction will be provided, and (e) not to fax, distribute or reverse engineer any Proprietary Information. The undersigned understands that all Proprietary Information is confidential and that all rights, title and interest in the Proprietary Information is and shall remain the exclusive property of the Company, and no license or other rights are being granted to the undersigned by the Company.

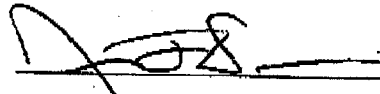
The undersigned further agrees that the Company shall be entitled to equitable relief, including injunction, in the event of any breach of this Confidentiality Agreement, that the granting of such relief will not be opposed and that such relief shall not be the exclusive remedy for such breach. Furthermore, the undersigned agrees to defend and hold harmless the Company from any loss, cost, expense (including attorney's fees and litigation expenses), claim, liability, or damage arising from or related to a breach of this Confidentiality Agreement.

This Agreement shall expire three (3) years from the date of execution.

This Confidentiality Agreement shall be governed by California law.

The undersigned has executed this Confidentiality Agreement as of the date set forth below.

By:



Print Name:

Tim Noonan

Title:

General Manager / SVP

Company:

Warner Bros. Online

Date:

August 14, 2001