

# リーガルフロンティア21

プロジェクトベース

## 実務・英文契約書講座

### 第 11 回 エンターテインメント契約

2013 年 7 月 24 日(水) 午後7:00～9:00

会 場

〒101-0051 東京都千代田区神田神保町 3-10 神田第3 アメレックスビル 7F  
株式会社リーガルフロンティア21  
セミナールーム

テーマ	トピック	学習目標
⑪エンターテインメント契約  2013年7月24日（水）	プロモーション契約、マーチャン ダイジング契約、パブリッシング 契約、アウトプット契約共同研 究、	米国の映画産業を中心とするエ ンターテインメント契約群を参考 にしながら、エンターテインメント 業界のビジネスモデルを学び、実 践していく際に必要となるテク ニックを習得します。エンターテ イメント業界特有の法律用語を 理解しておく機会となるかもしれ ません。

## エンターテインメント契約

### 学習目標

投資対象としての映画制作

映画制作を中心とするエンターテインメント契約群

映画のビデオ化

☐劇場上演

## **Exhibit A**

### **INVESTMENT & OUTPUT AGREEMENT** **Summary of Terms**

- **Definitions** Except as otherwise defined below, all capitalized words used herein have the meanings set forth in the Glossary attached hereto as Schedule 1.
- **Parties** DW, ATU, RR, and US Corp.
- Equity Investment** US Corp would make a \$100 million Investment in DW, payable \$60 million on Closing and \$40 million within 6 months after the Closing (with payment guaranteed by RR), in exchange for a 2.83% interest in DW for a Class J membership interest. US Corp would be owned by a Japanese corporation that would, in turn, be owned exclusively by RR and Sumitomo. The Investment will be non-voting (other than voting as part of Class J on changes to rights that would have an adverse effect on such class, except those actions that are expressly provided for herein). US Corp will not be required to make capital contributions beyond the Investment, but will have pro rata pre-emptive rights. After three years, the parties would discuss the possibility of extending the Output Agreement for an additional Investment, but neither party would be under any obligation to do so. The specific terms of any such further investment would be subject to mutual agreement at that time.
- Closing** The Closing shall be not later than March 31, 2004.
- Distributions**

The Investment would be entitled to 2.83% of the first \$2.8 billion of distributions to the common shareholders and would thereafter be entitled to 100% of any further distributions to the common shareholders until fully recouped, and thereafter 2.83% of all further distributions to the common shareholders.

Notwithstanding the foregoing, one shareholder has provided an irrevocable letter of credit in the amount of \$300 million (the "L/C"). If the L/C is drawn, it effectively converts into Class P Interests in DW. In such event, all capital distributions (including those related to the Investment) shall be subordinated in right to the Class P Interests until they are fully repaid.

Furthermore, DW has issued \$150 million of Class U Preferred Stock to its primary worldwide video fulfillment

service provider and international theatrical distributor and will issue by June 2004 \$150 million of Class T/T Preferred Stock to its worldwide duplicator of prints and videos. Such Preferred Stock will receive cash dividends that will not be considered a distribution of capital for the purposes of this section. Furthermore, all capital distributions (including those related to the Investment) shall be subordinated in right to the Class U and T/T Interests until they are fully repaid.

***Restrictions on Transfer***

US Corp will not be permitted to transfer the Investment except to another DW shareholder without the consent of DW, except as provided below. Such restrictions terminate upon a public offering of DW.

***Other Liquidity Rights***

In the event of a sale transaction, US Corp will have tag-along rights and be subject to drag-along rights analogous to those rights granted to certain other shareholders of DW.

US Corp will also have the right to participate in (but not initiate) a public offering of DW, on a pro rata basis with the other shareholders in DW.

If DW is not a publicly traded company on the 10<sup>th</sup> anniversary of the Closing, the Investment will have the same redemption rights as DW previously granted to CJ Entertainment. For greater certainty, any Pictures delivered to ATU up to the such date shall be distributed by ATU for the term of the License without regard to such redemption.

In the event that any two of the Principals were to cease to be employed by DW or, if through no breach by it, ATU is no longer serving as distributor and fulfillment services provider for the Pictures in the ATU Territory, then US Corp shall have the right to sell the Investment (and, at the election of US Corp, together with the License and/or the Output Agreement), provided the purchasers agree to be bound by the DW operating agreement. The sale could be made to up to three buyers. DW would not be able to block the sale unless it is to a competitor of DW. Alternatively, US Corp could elect to sell the Investment to DW for its fair market value as determined under DW's Operating Agreement.

If DW does not deliver at least 15 Pictures by the end of four years after the Closing, US Corp would have the right to sell the Investment to DW for the market value of

the Investment at that time. This election would terminate the Output Agreement and the License. The delivery of only video or only theatrical rights to any Picture would count as 50% of a Picture. Such right must be exercised within 30 days of the 4<sup>th</sup> anniversary of the Closing or such right shall be deemed waived by US Corp. In the event that US Corp exercises a redemption pursuant to this paragraph, then DW shall have the right to terminate the Output Agreement (on receiving notice of such redemption) and if so terminated, no additional Pictures will be delivered to ATU under the Output Agreement. For greater certainty, any Pictures delivered to ATU up to the termination date shall be distributed by ATU for the term of the License without regard to such termination.

***DW or ATU Change in Control***

If DW elects to terminate the Output Agreement pursuant to a DW Change in Control, US Corp shall have the option to either (i) accept the terms and conditions of any DW Change in Control transaction and be “dragged-along” in such a transaction or (ii) elect to redeem the Investment for cash in an amount sufficient to generate a 7% pre-tax IRR on its Investment (such redemption to be contingent on the closing of a DW Change in Control). In the event DW does not elect to terminate the Output deal upon a DW Change in Control, then the Investment will be “dragged-along” pursuant to the terms and conditions of such DW Change in Control transaction. In addition, US Corp would participate in an IPO of DW’s animation subsidiary pro rata based on US Corp’s membership interest percentage.

Upon a transfer of a majority of the outstanding interests in ATU, DW could elect to terminate the Output Agreement (but not the term of any Rights licensed through that date) if DW simultaneously repays the balance of the Investment plus 4% interest, compounded annually. This paragraph would not apply to an IPO of ATU. The Output Agreement cannot be terminated under this provision by DW until DW provides ATU three (3) months notice, during which period DW shall continue to deliver Pictures under the Output Agreement.

***Eligible Pictures***

The Pictures shall include all theatrical motion pictures for which DW exclusively controls the Rights in the ATU Territory during the Term excluding all prior theatrical motion pictures listed on Schedule 2.

During the Output Term, DW may continue to initiate co-production arrangements with other motion picture studios or production companies and/or acquire limited rights to pictures, including multi-picture co-production and acquisition arrangements that may exclude all or some of the Rights in the ATU Territory.

DW will use reasonable good faith efforts to obtain the Rights for the ATU Territory when acquiring for a particular picture international, multi-territory distribution rights outside the U.S. and Canada, or when it enters into co-production arrangements described above; provided nothing hereunder shall obligate DW to (i) increase the amount of its economic or legal risk, or (ii) reduce the amount of any economic or legal benefits otherwise available to it. In addition, and for greater certainty, if DW determines (in its sole and absolute discretion) that it is in DW's best interest to produce, distribute or acquire all or a portion of a Picture, and the ATU Territory rights to such Picture are not included or not available, entering into such arrangement will not be a breach of this Term Sheet.

***Production Control***

DW shall be solely responsible for the development and production of each Picture contemplated under this Agreement. DW shall have the right, in its sole discretion, to make all decisions regarding development, production, release, distribution and exploitation of a Picture. DW has the sole right at any time to abandon development or production of a Picture.

***Output Term***

The Output Agreement would commence as soon as permitted under DW's existing agreement with UIP after signature of the Output Agreement. The existing UIP Agreement requires "reasonable" notice for termination of theatrical/nontheatrical rights and six months notice for termination of video distribution rights. The Output Agreement would continue until DW has delivered 35 Pictures to ATU. The delivery of only video or only theatrical rights to any Picture would count as 50% of a Picture. DW could exclude any particular film (or some of the rights thereto) from the Output Agreement if the film (or designated rights) was not suitable for distribution in Japan.

***Rights***

Subject to circumstances set forth in the Eligible Pictures section above that may limit DW's ability to provide certain Rights to ATU on particular Pictures,

ATU shall obtain on an exclusive basis, for each Picture delivered to it by DW, the following Rights:

- Theatrical.
- Non-theatrical.
- Video/DVD.
- Publishing rights (Japan and Taiwan).
- Merchandising Rights (Japan and Taiwan). Video game rights would not be included unless separately agreed by DW on a case-by-case basis.
- Airline rights. DW would pay ATU a fee equal to 10% of Japan airline sales made by DW, but DW would own and exploit these rights directly.
- VOD. The Rights would include VOD rights after expiration of existing DW VOD deals, subject to DW's approval of security measures and image quality. DW would not exercise any extension elections under its current deals. DW would pay ATU a fee equal to 7.5% of VOD income, but DW would own and exploit these rights directly.

Television. ATU would have a right of first negotiation to acquire television rights to the Pictures upon expiration of the current television deals (WOWOW for pay TV in 2008 and Tohokushinsha for free TV in 2005).

Distribution windows will contain customary holdbacks and conform to DW's existing output deals.

During the term of the License, the Rights will also include home video cassette/DVD servicing rights to the Excluded Pictures as and to the extent such rights may become available free and clear of any conflicting obligations arising in connection with the existing distribution and servicing agreements between DW and UIP. If there is any dispute about the availability of such rights, ATU agrees to abide by DW's determination that such rights are not available for exploitation as Rights. For clarity, ATU acknowledges and agrees that it will not obtain or receive any Free or Pay Television, theatrical, non-theatrical, airline or any other rights or distribution fees thereon related to existing or future revenue generated by the Excluded Pictures in

the ATU Territory, except as and to the extent home video cassette/DVD servicing rights may become available as hereinabove provided. Furthermore, ATU acknowledges that UIP may retain exclusive home video cassette and DVD servicing rights for certain of the Excluded Pictures for a significant period of time after ATU and DW enter into this Agreement. DW will notify ATU if and when it determines in its sole discretion that such rights will become available to ATU during the term of the License. DW shall not be required to take any action with respect to the Excluded Pictures other than providing the aforesaid notification to ATU. Finally, DVD servicing rights for certain Excluded Pictures terminate at a different time than home video cassette servicing rights for said Excluded Pictures and, therefore, such DVD servicing rights may not be available concurrently with the home video servicing rights. For the purpose of this Agreement all home video cassette/DVD ATU License Rights relating to Excluded Pictures will be considered library titles and servicing fees applicable will be those detailed the Distribution Fees section of this Agreement.

The Rights cannot be assigned, sold, pledged or otherwise transferred, hypothecated, or encumbered by ATU in any manner. Such action will immediately cause the Rights to all Pictures contemplated under this Agreement to immediately revert to DW and ATU shall take all actions as required by DW to continue exploitation of the Rights. ATU shall not have the right to re-cut or re-edit the Picture without the express written consent of DW. Notwithstanding the foregoing, ATU shall be eligible to pledge its Distribution Fees to its lenders.

All rights not specifically granted to ATU are hereby reserved by DW.

***Language***

Dubbed or subtitled in Japanese.

***Territory***

Except as indicated under "Rights," the ATU Territory shall be Japan.

***Term***

The Rights on each delivered Picture shall run for a period that commences on the initial release of such Picture in the ATU Territory and runs until the end of 2018.

The Rights to each Picture contemplated under this



Agreement will automatically revert to DW at the conclusion of the Picture's term of the License. With respect to home video cassettes/DVD, during the 6-month "sell-off" period following the expiration of a Picture's term of the License, ATU and DW shall cooperate to administer active catalogue sales programs, and DW shall provide reasonable inventory therefor.

***Theatrical Distribution and Video Fulfillment Services***

ATU may provide its theatrical distribution and video fulfillment services either directly, through affiliates or it may engage fulfillment service providers and/or sub-distributors; provided that such distribution is "First Class" (i.e., comparable to the manner in which DW has distributed its existing pictures in the ATU Territory to date), and further provided that DW shall have approval rights over the engagement of any sub-distributors and/or fulfillment service providers and such sub-distributors and fulfillment service providers will agree to be bound by the release controls of DW as contained herein.

***Distribution Costs***

ATU shall advance all Distribution Costs as determined and pre-approved by DW, consistent with ATU's customary business practices. Such Distribution Costs include, without limitation, creation and placement of advertising and publicity; dubbing, subtitling, reformatting, creation of value added programs for DVD (and other formats) and creation of trailers and featurettes; sales, marketing, shipping and other costs of video exploitation; distribution fees remitted to third parties, servicing fees, advertising agency fees, copyright usage fees, duty fees, import taxes, insurance, freight, etc., net of rebates, discounts and all without markup or profit to ATU. ATU may bill DW for actual third party out-of-pocket costs related to picking, packing orders and returns processing and other physical distribution costs, subject to a maximum of 7.5% of net video receipts for sell-thru cassette/DVD and 5.0% for rental cassette/DVD. ATU agrees to use concerted commercial efforts to minimize Distribution Costs on an ongoing basis. If required by DW, home video/DVD manufacturing will be coordinated and processed through DW's manufacturer, and DW will be invoiced directly for such services.

ATU shall recoup the Distribution Costs from the gross receipts from distribution of the Pictures. In the event that the gross receipts are not sufficient to allow ATU to

recoup its Distribution Fees and Distribution Costs, DW shall reimburse ATU for any such shortfall.

As DW is ultimately responsible for the full payment of the Distribution Costs, DW will have approval over each Picture's marketing budget, the expenditures of all Distribution Costs and can direct ATU to use DW's favored suppliers in the ATU Territory or otherwise. The parties will mutually agree on a threshold amount below which ATU shall not be required to seek DW's approval for follow-on marketing campaign expenditures. For greater certainty, only the following items (or similar incidental expenditures) qualify as follow-on marketing campaign expenditures – catalogue insertions, customer-specific promotions or standees, and title-specific promotions (e.g., re-releases, sequel releases, anniversaries or other special events).

### ***Distribution Fees***

- ATU shall be entitled to retain from the exploitation of the Pictures in the ATU Territory, the following Distribution Fees:
- Theatrical. 10% to \$25 million (\$40 million for Spielberg films), and thereafter 12.5%.
- Non-theatrical. 8% to \$500,000, and thereafter 10%.
- Airline. 10% (but DW distributes and pays ATU this fee as a share of revenue).
- Video/DVD Rental. 10% to \$25 million (\$35 million for Spielberg films), and thereafter 12.5%.
- Video/DVD Sell-Through. 12.5% to \$25 million (\$35 million for Spielberg films), and thereafter 13.5%.
- Video Library. 8%.
- VOD. 7.5% (but DW distributes and pays ATU this fee as a share of revenue).
- Publishing Rights Payment. ATU would pay DW a royalty equal to 15% of the retail sales price (the price paid by consumers to the retailer). DW would have the right to pre-approve all publishing licenses.
- Merchandising Rights Payment. For all

merchandising, ATU would control and license the rights and would retain a fee equal to 30% of gross receipts actually received by ATU. DW would have the right to pre-approve all merchandising licenses.

100% of the balance will be remitted to DW. The Distribution Fees are inclusive of any sub-distribution fees and fulfillment services fees payable to third parties by ATU. Such fees (if any) shall be borne by ATU. ATU will bear any withholding or remittance taxes out of its Distribution Fees, or make other arrangements to eliminate such withholding or remittance taxes.

***Release Coordination***

DW shall have approval, not to be unreasonably withheld, over initial release strategies in each media, marketing plans, and distribution patterns for each Picture and in each market in the ATU Territory; provided that release of each Picture in each medium and format in the ATU Territory will be subject to DW's customary distribution practices for comparable motion pictures, including DW's customary holdbacks and release windows and will be further subject to DW's promotional and commercial tie-in arrangements. Any sales or trade discounts or rebates to be entered into between ATU and any third party must be pre-approved by DW. Notwithstanding the foregoing, DW's decisions regarding release and distribution patterns, strategies and budgets for all Pictures shall be final.

***Unexploited Rights***

ATU agrees that DW will exclusively own and control any unexploited Rights in the ATU Territory, on a by-Picture and by-media basis, to the extent that ATU determines that it will not exploit such Rights. ATU shall provide DW sufficient notice to enable it to exploit such rights in their customary window.

***Ownership***

As between DW and ATU, DW will exclusively own and control all other rights in and to the Pictures contemplated under this Term Sheet during the applicable term of the License and, thereafter, in all media throughout the world in perpetuity. Except as outlined herein, Internet rights to all Pictures will be exclusively reserved by DW throughout the world in perpetuity.

DW may mortgage the Pictures and any Rights to the extent necessary to comply with its current or future film financing arrangements or on-balance sheet financing requirements, but the secured parties must execute a

non-disturbance agreement in favor of ATU for the term of the Rights. ATU will fully cooperate in order to allow DW to complete tax or finance driven structural arrangements to the extent that they are of no cost or meaningful risk to ATU.

As between DW and ATU, DW shall retain exclusive ownership of the copyrights and trademarks to all Pictures and underlying literary materials and elements of such Pictures contemplated under this Term Sheet throughout the world in perpetuity.

***Participations & Reporting***

For the purpose of determining and paying on a timely basis all contingent gross and net third party participations, however denominated, and guild residual obligations for each Picture contemplated under this Term Sheet, ATU will report to DW separately for each Picture all accrued and actual revenues and expenses from the Rights on a monthly basis commencing no later than six weeks after the initial theatrical release of a Picture in the ATU Territory. Such reports shall list, in detail, revenues and expenses "at the source" by medium (i.e., theatrical, home video/DVD,).

DW to have customary audit rights and shall control any participation audits.

***Payments***

Payments would be calculated based on actual receipts of ATU (not accruals based on invoices), net of discounts and rebates, and ATU would be entitled to hold back a reasonable reserve for video/DVD. The parties shall mutually agree from time to time on the appropriate allocations and policies related to bad debt and merchandise shipped to counter theft in retail locations. Except as set forth in such agreements and policies, ATU may not withhold payments based on returns reserves or bad debt reserves.

***Materials***

ATU will make available to DW all Japanese language elements created for each Picture for use by DW in its distribution of a Picture to pay television services, free television broadcasters, in the ATU Territory and for all airlines.

DW shall provide ATU with all necessary technical specifications and delivery requirements to complete and deliver Japanese language dubbed and/or subtitled versions of each Picture and shall supervise the

production (including quality control) thereof.

As between DW and ATU, DW shall exclusively own all Japanese language dubbed and/of subtitled versions of each Picture created and produced hereunder.

The parties will mutually agree on the utilization of non-Japanese language tracks. DW and ATU shall coordinate in good faith their respective distribution and fulfillment services functions in such a manner to protect against unauthorized trans-shipment of the Pictures on DVD and all other home video formats between the ATU Territory and the remainder of the world. In the event of any disagreement regarding the inclusion of language tracks on DVDs or otherwise, DW's decision shall be final and binding on the parties.

#### ***Credit***

ATU will be entitled to a second-position "Presented by" credit and second position logo on each Picture in its territory.

#### ***Early Termination***

- DW may terminate its obligation to deliver Pictures under the Output Agreement (but not the License with respect to delivered Pictures) in the event of a DW Change in Control if as a result of such DW Change in Control, US Corp will earn a pre-tax IRR of at least 7% on its equity investment in DW; provided, however that the Output Agreement cannot be terminated by DW unless or until DW provides ATU six (6) months notice, during which period DW shall continue to deliver Pictures under the Output Agreement.
- Upon a transfer of a majority of the outstanding interests in ATU, DW could elect to terminate the Output Agreement (but not the term of any Rights licensed through that date) if DW simultaneously repays the balance of the Investment plus 4% interest, compounded annually. This subparagraph would not apply to an IPO of ATU.
- DW could elect to terminate the Output Agreement (but not the term of any Rights licensed through that date) if US Corp exercised its right to sell the Investment based on two of the three Principals no longer being employed by DW.

DW would have the right to terminate the Output Agreement and the License (provided that ATU shall

continue to service such Rights as and to the extent required by DW for a reasonable time thereafter) if the “Actual Japan Percentage” for each of the first three Pictures is less than 80% of the “Historical Japan Percentage” and DW repays the Investment plus 4% interest, compounded annually. If the average Actual Japan Percentage for the first three Pictures is less than 50% of the Historical Japan Percentage, there would also be a claw-back of all fees earned by ATU. The “Historical Japan Percentage” means the historical average ratio of Japan:worldwide box office receipts for prior DW films, and the “Actual Japan Percentage” means the ratio of Japan:worldwide box office receipts for each of the first three Pictures after world-wide roll-out. If Mr. Shiina were no longer employed by ATU for any reason, the provisions of this subparagraph would restart with respect to the next three Pictures that are released after such termination. DW would not have any other termination rights based on performance. Any termination by DW based on these performance standards must be accompanied by repayment of the Investment plus 4% interest, compounded annually. Thereafter, neither party will have any further liability or obligation to the other.

***Foreign Tax Indemnity***

ATU shall indemnify DW from any ATU corporate tax liability or liability that may arise from ATU’s distribution (on its own) of a Picture in the ATU Territory and ATU’s provision of fulfillment services in connection with DW’s home video distribution of a Picture in the ATU Territory.

***Withholding Taxes***

ATU will either (i) bear any withholding taxes on Picture revenue remitted to DW or (ii) implement a structure that does not require withholding taxes on Picture revenues remitted to DW.

***Confidentiality***

The terms of this agreement are confidential, except each party may disclose to comply with applicable law, auditors and attorneys, and lenders and investors.

***Due Diligence***

Commencing as mutually agreed between the parties hereto, ATU will be entitled to conduct a customary due diligence review, which may include a review of (i) business, financial performance, financial projections and financial reporting, (ii) intellectual property rights, (iii) operational performance and development and production processes; and (iv) other legal documents pursuant to a standard legal due diligence examination. The management of DW will cooperate with ATU and its

representatives in this due diligence examination and will provide ATU and its representatives with reasonable access to the books, records, properties, employees and representatives of DW.

Similarly, DW will be entitled to conduct financial and operational due diligence on ATU pursuant to the previous paragraph.

ATU must complete its due diligence investigation of DW or waive its due diligence contingencies by not later than March 1, 2004.

***Expenses***

Each party shall bear their own expenses, advisory fees, legal fees, and all other transaction expenses.

***Binding Effect***

These terms and conditions are for discussion purposes only and are not binding on the parties.

## **SCHEDULE 1 - GLOSSARY**

“ATU” means Asmik Ace Entertainment.

“ATU Territory” means the territory of the License for each of the Rights.

“Change of Control” means a transfer of a majority interest in DW by the Principals.

“Closing” means the date of closing of the transactions described herein.

“Distribution Costs” means costs required to release and distribute the Pictures.

“Distribution Fees” means the distribution fees to ATU as provided herein.

“DW” means DreamWorks.

“Investment” means the equity investment in DW described in the Term Sheet.

“RR” means Eiga.

“License” means the license of the Rights to the Pictures from DW to ATU.

“Output Agreement” means the overall agreement requiring DW to license Rights to ATU for a specified number of Pictures.

“Pictures” means the motion pictures that are subject to the Output Agreement.

“Principals” means Steven Spielberg, Jeffrey Katzenberg, and David Geffen.

“Rights” means the specific rights to the Pictures that are licensed to ATU pursuant to the License.

“Term Sheet” means the Summary of Terms to which this Schedule is attached.

“US Corp” means a U.S. Delaware corporation that is formed to hold the Investment and that is owned by RR.



## **SCHEDULE 2– Excluded Pictures**

***Released films in US through July 2003***

***DW Controls Japanese Territory***

***Rights***

A. Under UIP Distribution/Servicing Non Co-productions (DW released Domestic & International)	23
Peacemaker	
Amistad	
Mousehunt	
Paulie	
In Dreams	
Forces of Nature	
Love Letter	
The Haunting	
American Beauty	
Galaxy Quest	
Road Trip	
Antz	
Prince of Egypt	
Shrek	
The Last Castle	
Spirit: Stallion of the Cimmaron	
The Tuxedo	
Catch Me If You Can	
Biker Boyz	
Old School	
Head of State	
Joseph (Direct to video)	
Sinbad	
DW Controls International Rights Only (Co-Producer released Domestic)	7
Deep Impact	
Meet The Parents	
Cast Away	
A Beautiful Mind	
Minority Report (International TV only)	
Road to Perdition (International non-theatrical only)	
AI: Artificial Intelligence (International TV Only)	
B. Rights licensed to third parties other than UIP	
El Dorado (other than Pay Television)	

Chicken Run (other than Pay Television)  
The Ring

**Total**

3

**33**

## **MASTER AGREEMENT**

MASTER AGREEMENT dated as of April 22, 2004 among DreamWorks L.L.C. (“DW”), a Delaware limited liability company, Eiga Entertainment Inc. (“RRE”), a Japan corporation, and Eiga Holdings Inc. (“Guarantor”), a Japan corporation.

## **PRELIMINARY STATEMENT**

WHEREAS, DW, Eiga Entertainment U.S. Inc. (“US Corp.”) (a Delaware corporation and affiliate of Guarantor) and Guarantor have entered into a Subscription Agreement dated as of April 22, 2004 (the “Subscription Agreement”) pursuant to which US Corp. will purchase certain equity interest in DW denominated as Class J Stock in the Third Amendment dated as of April 22, 2004 (“Third Amendment”) to the Sixth Amended and Restated Limited Liability Company Agreement of DW, dated as of March 21, 2003, as amended by the First Amendment, dated as of June 6, 2003 and by the Second Amendment, dated as of December 22, 2003 (together with the schedules and exhibits attached thereto, the “LLC Agreement”);

WHEREAS, the Guarantor will benefit from the transactions contemplated by the Agreement and has agreed to guarantee the payment and performance of RRE’s covenants, agreements, obligations, liabilities, representations and warranties under the Agreement; and

WHEREAS, simultaneously with the execution and delivery of the Third Amendment to the LLC Agreement and as provided in the Subscription Agreement, DW, RRE and Guarantor will enter into this Master Agreement, and DW and RRE will enter into each Exhibit (as defined in Section III below).

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, DW, RRE and Guarantor agree as follows:

### **I. General**

Notwithstanding anything to the contrary set forth herein, this Master Agreement shall become effective only on the “First Closing” as defined in the Subscription Agreement.

### **II. Term**

a. The Term of this Master Agreement shall commence on the date first indicated above and shall continue until: (i) termination of all of the Exhibits; or (ii) earlier termination according to the provisions hereof.

### III. Definitions

Capitalized terms used in this Master Agreement but not referenced below or otherwise defined herein shall have the meanings assigned thereto in the Exhibits; or the LLC Agreement, as applicable.

1. **Affiliate:** “Affiliate” (collective “Affiliates”) of any specified Person shall refer to any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person.

2. **Agreement:** “Agreement” shall refer collectively to the “Master Agreement” and all of the “Agreement Modules”, which are incorporated herein by reference and made a part hereof.

3. **Agreement Module:** “Agreement Module” shall refer to each of Exhibits A, B, C and D of the Master Agreement, as amended, modified or supplemented from time to time in accordance therewith.

4. **Business Day:** “Business day” as used in this Master Agreement or any Exhibit(s) shall refer to any day other than a Saturday, Sunday or other day on which commercial banking institutions in Tokyo, Japan or Los Angeles, California are authorized or required by law to close.

5. **Control:** “Control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract, or otherwise,; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

6. **DW Picture:** “DW Picture” shall refer to any Picture, Videogram, DTV Product or Licensed Property as such terms are defined in the Exhibits.

7. **RRE Rights:** “RRE Rights” shall refer to the rights granted to RRE pursuant to the Exhibits during the Term.

8. **Master Agreement:** “Master Agreement” shall refer solely to this Master Agreement without consideration of the Exhibits attached hereto.

9. **Parties:** “Parties” (individually “Party”) shall refer to DW, RRE and Guarantor.

10. **Person:** “Person” shall refer to any individual, firm, corporation, partnership, limited liability company, trust, joint venture, governmental authority or other entity.

**IV. International Theatrical Motion Picture Distribution**

Exhibit A shall refer to the agreement dated as of April 22, 2004 between DW and RRE pertaining to the distribution by RRE of DW Pictures within the Territory during the License Term (as such capitalized terms are defined in Exhibit A) by exhibition in motion picture theatres before paid admission audiences, as more specifically set forth therein.

**V. Home Video License**

Exhibit B shall refer to the agreement dated as of April 22, 2004 between DW and RRE pertaining to RRE's distribution of DW Videograms within the Territory during the License Term (as such capitalized terms are defined in Exhibit B), as more specifically set forth therein.

**VI. Merchandising, Publishing & Promotion Rights**

Exhibit C shall refer to the agreement dated as of April 22, 2004 between DW and RRE pertaining to the rights, obligations and services of RRE with respect to DW's exploitation of merchandising, publishing and promotion endeavors pertaining to Licensed Properties within the Territory during the Term (as such capitalized terms are defined in Exhibit C), as more specifically set forth therein.

**VII. Television Distribution**

Exhibit D shall refer to the agreement dated as of April 22, 2004 between DW and RRE pertaining to, inter alia, RRE's right of first negotiation under certain conditions to acquire television distribution rights as set forth in Exhibit D to DW Pictures in the Language for the Territory (as such capitalized terms are defined in Exhibit D), as more specifically set forth therein.

**VIII. Production Controls**

As among the Parties to this Master Agreement, Guarantor and RRE acknowledge that DW shall be solely responsible for the development and production of each DW Picture that may be delivered pursuant to the terms of the applicable Exhibit. DW retains the exclusive right in its sole discretion to make all decisions and to initiate any action with respect to the development, production, and except as otherwise expressly provided in the applicable Exhibit, the release, distribution and exploitation of each DW Picture, including the right at any time in DW's sole discretion to abandon the development or production of each DW Picture.

**IX. Media Buys**

During the Term and until RRE completes all services and obligations as required pursuant to each Exhibit, RRE shall purchase, or cause to be purchased, on

DW's behalf as DW's licensee, all Media as DW may require from time-to-time, at the most favorable rates (net of all discounts, rebates and adjustments) available to RRE for comparable RRE Media (and the cost of such Media shall be treated as reimbursable expenses under the Exhibits). DW will direct RRE where and when to purchase such Media; provided that DW shall retain the right, exercisable from time-to-time during the Term, to independently purchase any or all of its Media requirements without regard to RRE's obligations hereunder. Media purchases shall include all upfront, co-op and other Media requirements of DW. "Media" includes: all television (e.g. network, cable, syndication and spot); radio (e.g., network and spot); print such as newspaper advertisements, cable guides, magazines, periodicals, circulars, college print, military print; outdoor such as billboards, bus shelters, bus sides, phone kiosks, premiere squares; trade publications; internet and new media as they evolve.

#### **X. DW Reservation of Rights**

As among the Parties to this Master Agreement, all rights to DW Pictures not specifically granted to RRE pursuant to the Exhibits are expressly retained and reserved by DW for use or exploitation in DW's sole and absolute discretion, without obligation of any kind whatsoever to RRE or Guarantor. In the event RRE determines that it will not exploit any or all of the RRE Rights in and to a DW Picture during the Term, all such rights shall immediately revert to DW. Upon reversion, DW shall exclusively own and control such rights in and to the DW Picture and shall have the right to exploit in its sole discretion the reverted rights in the applicable Territory (as defined in each Exhibit). RRE shall provide DW with timely written notice of its determination not to exploit any or all of the RRE Rights to enable DW to exploit such rights during DW's customary distribution period(s) for the applicable media. The foregoing provisions of this Section X. shall not constitute a waiver of DW's rights or remedies in the event RRE's determination not to exploit any or all of the RRE Rights in and to a DW Picture constitutes a breach or default under any Exhibit(s).

#### **XI. Ownership**

As among the Parties to this Master Agreement, DW retains for itself, throughout the universe in perpetuity, exclusive and complete ownership of the DW Pictures, including all copyrights, trademarks, service marks, domain names and similar intellectual property rights, all screenplays, underlying literary materials and elements, soundtrack and music rights, sequels and derivative productions, all subsidiary and allied rights and all other rights not specifically granted to RRE pursuant to the Exhibits.

#### **XII. DW Financing**

Notwithstanding the rights accorded to RRE pursuant to the Exhibits, RRE and Guarantor acknowledge and agree that DW shall have the right in connection with any current or future financing arrangements or on-balance sheet financing requirements to mortgage, pledge, hypothecate or grant a security interest in or lien upon the DW Pictures and the RRE Rights, including the right to assign as security all of DW's rights, title and

interest in and to the DW Pictures for the benefit of its lenders and financiers, as DW determines in its sole discretion, provided such lenders and financiers execute an Interparty Agreement substantially in the form of Exhibit C to the Subscription Agreement. RRE and Guarantor agree to fully cooperate with DW in order to enable DW to consummate any tax advantaged financing or other financially beneficial structural arrangements or other transactions that DW initiates, provided they can be accomplished (a) without cost to RRE and Guarantor and (b) without commercially meaningful financial risk to RRE and Guarantor.

### **XIII. Miscellaneous Provisions**

1. Conflicting Provisions: In the event of a conflict between anything contained in this Master Agreement and any provisions contained elsewhere in the Agreement, this Master Agreement shall control.

2. Further Acts and Documents: The Parties each will perform such other and further acts and execute, acknowledge and deliver such other and further documents to evidence their respective rights and obligations under the Agreement as may reasonably be necessary or appropriate to carry out the intent hereof. Such documents shall be provided, or such acts taken, promptly upon the receipt of written notice thereof given in accordance with the provisions of Paragraph XIII.18. below, unless the Party of whom such request is made submits, within ten (10) business days (or, if specified in such written notice, such shorter period as exigencies require) following receipt of such notice, a written statement of its reason(s) for failing to comply therewith. In that event, the Parties shall resolve such dispute in the same manner as any other dispute which may arise under the Agreement. In the event no timely objection is made or such objection is resolved, and the required Party fails to promptly provide such documents or perform such acts, the requesting Party irrevocably shall be appointed as the required Party's attorney-in-fact for such purpose. It is acknowledged said appointment power is coupled with an interest.

3. Termination:

a. Each of Exhibits A, B and C may be terminated by DW or RRE (the "Terminating Party") by reason of any right of termination set forth therein.

b. Exhibit D may be terminated by the Terminating Party, either (a) entirely or (b) only with respect to any DW Picture(s) affected by such event or nonperformance as the Terminating Party determines in its sole discretion, without prejudice to any other rights or remedies available to it, under any of the following circumstances:

(i) Upon the occurrence of a material breach by the other Party ("Breaching Party") of any portion of Exhibit D, provided, that, as to a non-recurring breach which is capable of being cured, the Terminating Party shall have first given written notice within a reasonably prompt

period after discovery of the alleged breach specifying in reasonable detail the alleged breach, the action(s) necessary to cure same and indicating the DW Picture(s) being terminated, and the Breaching Party shall have failed to so cure the alleged material breach within 30 days (or such shorter period as may be reasonably required) of receipt of said notice; or

(ii) If the non-terminating Party makes an assignment for the benefit of creditors, files or has filed against it a petition for bankruptcy (which proceeding is not dismissed, bonded or discharged within 60 days of filing) becomes insolvent or is adjudged bankrupt; or

(iii) If the other Party restructures (other than an internal corporate reorganization, merger or consolidation, or with the prior written consent of the non-restructuring Party in its absolute sole discretion) in a manner that has or may have a significant impact on either Party's performance under Exhibit D, or dissolves or changes pursuant to government order affecting a significant portion of the market. Any dispute as to whether a restructuring has or may have a significant impact on either Party's performance under Exhibit D shall be subject to dispute resolution under Paragraph XIII.11. below.

c. In the event DW terminates Exhibit A and/or Exhibit B in accordance with the terms thereof, then DW also shall have the right to terminate each Exhibit. In the event DW terminates Exhibit A and/or Exhibit B as to one or more DW Pictures, then DW also shall have the right to terminate each Exhibit as to such DW Pictures. For clarity, in the event DW elects to withhold or withdraw any DW Picture(s) pursuant to Exhibit A and/or Exhibit B, DW also shall have the right to withhold or withdraw such DW Picture(s) from each Exhibit.

d. Any claimed right of termination of Exhibit(s) A, B, C and/or D shall be subject to dispute resolution under Paragraph XIII.11. below. In the event of a termination of the Agreement, or any Exhibit(s) or portion thereof, DW shall retain ownership of and all rights of every nature in and to all DW Pictures. The following rights and obligations shall survive termination of the Agreement, in addition to any rights or obligations which any Exhibit provides will survive termination of the Agreement or of such Exhibit: (i) all representations, warranties and indemnities; (ii) all reporting and record keeping obligations; (iii) all of either party's rights to receive accountings and payments; (iv) all insurance requirements pertaining to any obligations surviving termination of the Agreement or any Exhibit(s); and (v) any provision respecting the confidentiality of information.

e. DW shall have the right to terminate the Agreement by providing written notice (a "Termination Notice") to RRE and Guarantor at any time following DW's receipt of written notice from the Class J Holder (as defined in



the LLC Agreement) exercising the Class J Put Right pursuant to Section 10.15(c) of the LLC Agreement and consummation of the repurchase of the Class J Stock. Upon termination pursuant to this Paragraph XIII.3.e. no additional DW Pictures shall be delivered to RRE, provided the provisions of the Exhibits shall continue to apply to all DW Pictures delivered to RRE pursuant to Exhibit A prior to the effective date of such termination.

f. If (i) upon the occurrence of a Limitation Event (as defined in the LLC Agreement) or (ii), through no breach of the Agreement (other than a breach by DW), RRE is no longer serving as distributor for DW Pictures in the Territory (as defined in Exhibit A), and in either such event the Class J Holder has elected to Transfer (as defined in the LLC Agreement) the Class J Stock pursuant to and in accordance with Section 10.15(b) of the LLC Agreement, then DW shall have the right to terminate immediately the Agreement by providing a Termination Notice to RRE and Guarantor at any time following such Transfer of the Class J Stock, provided the provisions of the Exhibits shall continue to apply to all DW Pictures delivered to RRE pursuant to Exhibit A prior to the effective date of such termination.

g. DW shall have the right to terminate the Agreement by providing a Termination Notice to RRE of a DW Change of Control. A “DW Change of Control” means (i) the acquisition of ownership, directly or indirectly, beneficially or of record, of equity interests in DW representing more the 35% of either the aggregate ordinary voting power or the aggregate equity value represented by the issued and outstanding equity interests in DW, whether pursuant to merger, consolidation, issuances by DW of equity securities or otherwise by any Person or group (within the meaning of Section 13(d) (3) or 14 (d) (2) of the Securities Exchange Act of 1934, as amended) other than any of the Principals (as defined in the LLC Agreement) or their Affiliates or (ii) the sale of all or substantially all of the property, business or assets of DW or of its motion picture studio division to any Person (excluding internal reorganizations and transactions effected to reconstitute DW as a corporation). For the avoidance of doubt, an initial public offering with respect to DW’s animation business, or the Transfer (as defined in the LLC Agreement) of stock of DW or of a subsidiary of DW that is more than 50% owned by, and is controlled by DW, in connection with an initial public offering shall not constitute a DW Change of Control. In the event DW serves a Termination Notice hereunder, US Corp. or the Class J Holder or Holders at such time shall have the option, either: (i) to include the Class J Stock in such DW Change of Control transaction in accordance with and subject to Section 10.10 of the LLC Agreement; or (ii) to require DW, upon a DW Change of Control and as a condition to termination of the Agreement, to redeem all outstanding shares of Class J Stock pursuant to Section 8.01(d)(i) of the LLC Agreement. Subject to consummation of the redemption of the Class J Stock, the effective date of the Termination Notice shall be 180 days after service as provided in Paragraph XIII.18. below. DW shall continue to deliver DW Pictures to RRE in accordance with Exhibit A prior to termination of the

Agreement, and notwithstanding termination of the Agreement, the provisions of the Exhibits shall continue to apply to all DW Pictures delivered to RRE pursuant to Exhibit A prior to the date of termination. In the event DW elects not to serve a Termination Notice hereunder, the Class J Holder shall be required to comply with Section 10.11 of the LLC Agreement, if applicable, and all other applicable provisions of the LLC Agreement.

h. RRE shall provide written notice to DW of an RRE Change of Control no later than three (3) business days after such occurrence. DW shall have the right upon 90 days written notice to RRE to terminate the Agreement by providing a Termination Notice to RRE at any time following an RRE Change of Control. In the event DW provides a Termination Notice hereunder, termination of the Agreement shall be subject to Section 8.01(d)(ii) of the LLC Agreement. During the 90 days prior to the effective date of the Termination Notice, DW shall continue to deliver DW Pictures to RRE in accordance with Exhibit A, and notwithstanding termination of the Agreement, the provisions of the Exhibits shall continue to apply to all DW Pictures delivered to RRE pursuant to Exhibit A prior to the date of termination.

A “RRE Change of Control” means (i) the acquisition of ownership, directly or indirectly, beneficially or of record, of equity interests in RRE representing more than 35% of either the aggregate ordinary voting power or the aggregate equity value represented by the issued and outstanding equity interests in RRE, whether pursuant to merger, consolidation, issuances by RRE of equity securities or otherwise by any Person or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended) or (ii) the sale of all or substantially all of the property, business or assets of RRE or of either the theatrical motion picture distribution division of RRE or the home video division of RRE, to any Person (excluding internal reorganizations and transactions effected to reconstitute RRE as a corporation so long as the successor assumes the obligations of RRE under the Agreement). An initial public offering of stock of RRE (or any corporation into which RRE may be reconstituted or the substantial asset of which is equity interests in RRE) shall not constitute a RRE Change of Control unless Guarantor (and/or any of its majority owned subsidiaries) or Sumitomo Corporation (and/or any of its majority owned subsidiaries) does not retain actual managerial control (whether through the ability to elect at least a majority of the members of the board of directors or equivalent governing body or otherwise) of RRE as a result of such offering. In the event Asmik Ace Entertainment, Inc. (“Asmik Ace”) provides any services or assumes any obligations of RRE under any of the Exhibits, the foregoing definition of RRE Change of Control shall apply equally to Asmik Ace, and RRE shall be obligated to comply with the provisions of this Paragraph XIII.3.h. with respect thereto.

i. DW shall have the right to terminate the Agreement by providing a Termination Notice to RRE at any time following the failure of US Corp. to make the aggregate Payments (as defined in the Subscription Agreement) to DW, or

upon DW's termination of the Subscription Agreement by reason of any right of termination set forth therein, in which event DW shall not be obligated to deliver any DW Pictures to RRE pursuant to any Exhibits. Upon such termination, DW shall have the absolute right to withdraw any DW Picture(s) delivered to RRE prior to such termination or may elect to cause RRE to distribute and service any or all of such DW Pictures pursuant to the terms and conditions of each Exhibit as DW designates.

j. DW shall have the right to terminate the Agreement by providing a Termination Notice to RRE at any time following termination of Exhibit A and/or Exhibit B in accordance with the terms thereof; provided, if DW terminates the Agreement due to termination of (i) Exhibit A pursuant to Paragraph 10.b.iv. thereof or (ii) Exhibit B pursuant to Paragraph 6.B.iv. thereof, termination of the Agreement shall be subject to Section 8.01(d)(ii) of the LLC Agreement. Upon termination of the Agreement, DW shall have the absolute right to withdraw any DW Picture(s) delivered to RRE prior to such termination or may elect to cause RRE to distribute and service any or all of such DW Pictures pursuant to the terms and conditions of each Exhibit as DW designates.

k. DW shall have the right to terminate immediately the Agreement by providing a Termination Notice to RRE at any time following DW's receipt of a Transfer Election Notice (as defined in Section 10.04 of the LLC Agreement) from the Class J Holders pursuant to and in accordance with Section 10.15(d) of the LLC Agreement, provided the provisions of the Exhibits shall continue to apply to all DW Pictures delivered to RRE pursuant to Exhibit A prior to the effective date of such termination.

4. Warranties and Representations: Each Party warrants and represents that:

a. It is an entity duly incorporated, organized or formed, validly existing and current in all required filings for such existence under the laws of the jurisdiction in which it is incorporated, organized or formed.

b. It has the requisite power and authority to enter into the Agreement and to perform in accordance with the terms thereof.

c. The Agreement and the execution thereof have been duly authorized, and when executed and delivered the Agreement will be a legally valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.

d. The execution, delivery and performance of the Agreement will not violate any agreement, instrument or undertaking to which such Party or any of its Affiliates is a party or by which any of them are bound.

e. No consent, approval, order or authorization of, or registration, declaration or filing with, any court, administrative agency or commission or other governmental authority or instrumentality, is required by or with respect to such Party or any of its Affiliates in connection with the execution and delivery of the Agreement.

5. Indemnity: In addition to, and without limiting, each Party's indemnities under the Exhibits: (a) each of DW and RRE ("Indemnitor") shall, at its own cost and expense, indemnify, defend and hold harmless the other Party, its Affiliates, employees, agents, managers, directors and shareholders (collectively, "Indemnitee"), from and against all cost, loss (exclusive of profits), liability, or expense (including reasonable outside attorneys' fees) arising in connection with Indemnitor's breach of any of the representations, warranties and agreements contained in the Agreement, or Indemnitor's violation or alleged violation of any third party's rights and/or Indemnitor's violation or alleged violation of law (except to the extent that such cost, loss, liability or expense is attributable to (i) a breach by the other Party of any of the representations, warranties and agreements contained in the Agreement, or (ii) any negligent or willful act or omission by any entity or individual within the scope of the term "Indemnitee"); (b) RRE and Guarantor shall, at their own cost and expense, indemnify and hold harmless DW, its Affiliates, employees, agents, managers, directors and shareholders, from and against all cost, loss, liability, or expense (including reasonable outside attorneys' fees) arising in connection with (i) any withholding taxes imposed on any amounts due or payable to DW from RRE pursuant to any and all of the Exhibits and/or (ii) any corporate or other similar income tax liability of RRE based upon or resulting from RRE's distribution of DW Pictures pursuant to the Exhibits; (c) DW shall, at its own cost and expense, indemnify and hold harmless RRE, its Affiliates, employees, agents, managers, directors and shareholders, from and against all cost, loss, liability, or expense (including reasonable outside attorneys' fees) arising from (i) the permitted exhibition (including exhibition of Videograms), transmission, or broadcast of the Pictures pursuant to and in accordance with the Exhibits, or (ii) any liens, encumbrances or licenses in or to a Picture that materially interferes with or materially limits the rights granted to RRE pursuant to Exhibit A or Exhibit B; and (d) each Indemnitor shall, at its own cost and expense, indemnify, defend and hold harmless each Indemnitee from and against all cost, loss (exclusive of profits), liability, or expense (including reasonable outside attorneys' fees) arising out of or in connection with any claim by any third party that is in contractual privity with Indemnitor or with a party engaged by Indemnitor, including co-ventures and Subdistributors as defined in the Exhibits (collectively, a "Third Party"), if such claim arises out of or in connection with the Agreement, provided that the indemnity in this Paragraph XIII.5. shall not apply to the extent that: (i) such claim is the result of Indemnitee's breach or alleged breach of its contractual obligations, if any, to such Third Party which is not caused by any breach or wrongful act by Indemnitor; and/or (ii) the Indemnitee under this clause (c) is an Indemnitor under clause (a) with respect to the same claim. Indemnitee will give

Indemnitor prompt written notice of any such claim or proceeding by a third party. If Indemnitor does not notify Indemnatee within a reasonable period after Indemnitor's receipt of notice of such claim or proceeding that Indemnitor is assuming the defense of Indemnatee, then until such defense is assumed by Indemnitor and except as set forth below, Indemnatee shall have the right to defend, contest, settle or compromise such claim by a third party in the exercise of its reasonable judgment and all costs and expenses of such defense, contest, settlement or compromise (including reasonable outside attorneys' fees and expenses) shall be reimbursed to Indemnatee by Indemnitor. Upon assumption of the defense of any such claim or proceeding, Indemnitor shall, at its own cost and expense, select legal counsel, conduct and control the defense and/or settlement of any suit or action which is covered by Indemnitor's indemnity. Indemnatee shall render all cooperation and assistance reasonably requested by the Indemnitor, and Indemnitor shall keep Indemnatee fully apprised of the status of any claim or proceeding. Notwithstanding the foregoing, Indemnatee may, at its election and sole expense, be represented in such action by separate counsel, and, if Indemnatee thereby waives Indemnitor's indemnity hereunder, Indemnatee may, at its election and sole expense, assume the defense of any such action. Unless Indemnatee waives the indemnity hereunder, in no event shall Indemnatee settle any claim or proceeding covered by this indemnity or stipulate to, admit or acknowledge any liability or wrongdoing (whether in contract, tort or otherwise) of any issue that may be covered by this indemnity, in each case without the consent of the Indemnitor.

6. Guarantee: Guarantor absolutely, irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety (the "Guarantee") the due and punctual performance and observance of, and compliance with, all covenants, agreement, obligations, liabilities, representations and warranties of RRE under or pursuant to the Agreement. In furtherance of the Guarantee, Guarantor agrees to execute and deliver to DW, concurrently with the execution and delivery of this Master Agreement, the Continuing Guarantee in the form of Exhibit E, attached hereto, incorporated herein by reference and made a part hereof.

7. Publicity: Except as may be required by law or NASD or stock exchange rules, no press release concerning the Agreement (including its creation or termination) or any of its terms or conditions, or containing any other trade secret or confidential information of each Party, or concerning any dispute or claims arising under the Agreement, shall be issued by any Party without the express prior written consent of the applicable Party.

8. Assignment: Subject to any further provisions permitting or restricting assignment of all or any portion of an Exhibit that are expressly set forth in the pertinent Exhibit:

a. RRE shall not assign the Agreement, or any of its rights or interests thereunder, except: (a) to an Affiliate of RRE, including in connection with an internal corporate reorganization, a merger or consolidation, in each case so long (i) as such assignment does not relieve RRE of its obligations under the Agreement, and (ii) the assignee is bound by and assumes in writing the obligations of RRE under the Agreement; or (b) upon the prior written consent of DW in its absolute sole discretion.

b. DW shall not assign the Agreement, or any of its rights or interests thereunder, except: (a) to an Affiliate of DW, including in connection with an internal corporate reorganization, a merger or consolidation, in each case so long as such assignment does not relieve DW of its obligations under the Agreement; (b) upon the prior written consent of RRE in its absolute sole discretion; (c) in the event of a DW Change of Control or to accommodate the filing of a registration statement under the Security Act of 1933, as amended, for the purpose of registering shares of stock of DW or of a DW Affiliate, as applicable, for the first time sale to the public; or (d) in connection with any financing transactions or arrangements involving DW, a DW Affiliate or any DW Picture(s).

c. Guarantor shall not assign the Agreement or any of its obligations thereunder, except upon the prior written consent of DW in its absolute sole discretion.

d. Any attempted assignment in contravention of the foregoing shall be deemed a material breach of the Agreement. In the event of a permitted assignment by any Party, the assigning Party shall nonetheless remain primarily liable hereunder.

e. Notwithstanding the foregoing, either DW or RRE may cause any Affiliate to perform its obligations under the Agreement, subject to the terms and conditions of the Agreement, provided that DW and RRE shall remain responsible for the performance of their respective obligations under the Agreement and its Affiliates' performance.

9. No Partnership or Third Party Benefit: The Agreement does not constitute DW and RRE or Guarantor as partners, joint ventures, or as each other's agents or representatives (except as may be herein otherwise expressly provided). The Agreement is not for the benefit of any third party and shall not give any right or remedy to any such third party whether or not referred to hereunder.

10. Integration/Formalities: The Agreement, the Continuing Guarantee, the LLC Agreement, the Subscription Agreement and any other agreement entered into contemporaneously with the First Closing (as defined in the Subscription Agreement) contain the entire agreement and understanding between the Parties relating to the subject matter hereof and supersede, cancel and replace

any prior understanding, writing or agreement among the Parties relating to such subject matter (including the Investment & Output Agreement - Summary of Terms, attached as Exhibit A to the executed Letter of Intent dated January 29, 2004 between DW and Guarantor). The Agreement may not be amended, modified or altered except by an instrument in writing duly executed by the applicable Parties. The Parties acknowledge that each was represented by counsel in the negotiation and execution of the Agreement. No provision herein shall be construed against any Party by virtue of the activity of that Party, through its counsel or otherwise, in negotiating and drafting the Agreement.

11. Dispute Resolution: Any controversy or dispute among the Parties arising out of the Agreement or relating in any way to the rights and obligations of the Parties hereunder, including any controversy or dispute among the Parties concerning the distribution and other exploitation of DW Pictures, or other intellectual property hereunder, any matter requiring mutual agreement among the Parties, and accounting and payment obligations shall be resolved by submitting such controversy or dispute to a “Judge” (as defined below), whose decision shall be final and binding and enforceable in a court of competent jurisdiction. The Parties will abide by the following procedures:

a. Before proceedings are initiated hereunder, the CEO or COO or any of the Presidents of DW (as designated by DW) and the CEO or COO of RRE or Guarantor, as applicable, shall meet in good faith to attempt to resolve the dispute.

b. If the dispute is not so resolved, the Parties shall meet within five (5) business days and shall agree upon a Judge to whom the dispute will be submitted. “Judge” shall mean a retired federal court justice or judge, or a retired justice or judge of the California Supreme Court, Court of Appeals or Superior Court, who is available to render dispute resolution services in the County of Los Angeles. In the event that the Parties cannot, within such five (5) business day period, agree upon a Judge, any Party may apply to the Superior Court for the State of California, County of Los Angeles, for the appointment of a Judge, and upon such appointment, such Party shall also be awarded its costs and attorneys’ fees in connection with the application; in the event DW and RRE or Guarantor jointly or separately apply, no costs and fees will be awarded.

c. Within fifteen (15) business days of the selection/appointment of a Judge, the Parties shall submit a Joint Statement setting forth: (i) a Joint Statement of Facts; (ii) a summary of each Party’s claim or defense, including factual and legal contentions; and (iii) a joint discovery plan. Within ten (10) business days of service of the Joint Statement, the Parties, (through their counsel) and the Judge shall convene in person or by telephone, and at such meeting the Judge shall order a discovery schedule and set a hearing date. It is the intent of the Parties hereunder to resolve disputes as expeditiously as possible, and it is the Parties’ goal that a hearing be held and a decision be rendered within three (3) months, except in complex cases, in which event a hearing shall be held and a

decision rendered within six (6) months. In the event a Party seeks preliminary injunctive relief, the Judge shall hold an expedited hearing on a schedule to be determined by the Judge.

d. The Parties' rights of discovery shall be governed by the California Rules of Civil Procedure.

e. Except as specifically provided herein, the Judge shall have the same powers as those of a judge of the United States District Court for the Central District of California, and shall render a decision as would a judge of such Court. Without limitation, such authority includes the power: (i) to enter and serve a written award within ten (10) business days after the hearing is concluded and final briefs (if permitted) submitted, and in this regard shall have specific power to order injunctive relief (preliminary and permanent) and to award compensatory (but not punitive) damages, all enforceable by a court of competent jurisdiction; and (ii) to award costs and reasonable attorneys' fees to the prevailing party.

f. The Parties reserve their rights to confirm, correct or vacate the award pursuant to California Code of Civil Procedure Section 1285, et seq., subject always to the limitations set forth in subparagraph e. above. If an award is so confirmed, the prevailing Party shall recover its costs and reasonable attorneys' fees in connection with such confirmation. A Party shall have the right to appeal the ruling of the Judge to a panel of three (3) retired judges. A Party shall have five (5) business days after its receipt of the Judge's ruling to serve notice of its exercise of this right to appeal. The Parties shall use the same procedure for selection of the Judge in Paragraph XIII.11.b. to select the panel of three judges for the appeal (the "Panel"). The Panel shall use the same standard of review of the Judge's ruling as if it were a California Court of Appeal reviewing a trial judge's ruling. The opening brief of the appealing Party shall be due within twenty (20) days of the selection of the Panel, the opposing brief within twenty (20) days of receipt of the opening brief, and the reply brief will be due within ten (10) days of the appealing Party's receipt of the opposing brief. The Panel will hold oral argument within twenty (20) days of the filing of the final brief, and issue a written opinion, stating its reasons for its decision, twenty (20) days thereafter.

g. In the event the dispute or controversy involves the rights and obligations of one or more third parties, the Parties shall attempt in good faith to have them join in the proceeding, submit to the jurisdiction of the Judge, and agree to be bound by the Judge's award. In the event, however, that there is no such joinder, the Judge shall have authority to resolve the dispute or controversy as among the Parties without the participation of any third party.

h. Each Party shall bear half the costs of the Judge and/or the Panel and any respective staff for any such proceedings (such as a court reporter), unless the



Judge in his or her discretion awards and/or the Panel in their discretion award some or all of such costs to the prevailing Party.

12. Severability of Provisions: If any provision in the Agreement shall be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force or effect while such infirmity shall exist, but such infirmity shall have no effect whatsoever upon the binding force or effectiveness of any other provisions thereof.

13. Waiver: No delay or failure to exercise any right hereunder shall constitute a waiver of such right except in those instances where the Agreement provides for specific notice and a period of time thereafter within which to exercise a right, in which case failure to exercise such right within the specified time period shall constitute a waiver thereof.

14. Governing Law: The Agreement shall be construed and enforced in accordance with the laws of the state of California, applicable to contracts entered into and to be fully performed in said state by residents thereof. For purposes of enforcing, confirming or vacating an award under Paragraph XIII.11. above, or in the event the provisions of such Paragraph XIII.11 shall be held invalid or unenforceable, only the California courts (state and federal) shall have jurisdiction over controversies regarding or arising under the Agreement, and if there is any matter which might be subject either to state or federal jurisdiction, the Parties agree that the matter shall be submitted to federal jurisdiction. The Parties specifically agree that the Superior Court of the State of California, County of Los Angeles and the United States District Court for the Central District of California shall have the personal jurisdiction over them, and each of them, notwithstanding the fact that they may be citizens of other states or countries. In this regard the Parties agree that Los Angeles County is a convenient forum.

15. Confidentiality: Except as may be required by law or NASD or stock exchange rules, each Party shall keep confidential all terms and conditions contained herein. RRE, Guarantor and DW acknowledge that they will, during the Term have access to, and acquire knowledge from, materials, data and other information which is not accessible or known to the general public ("Confidential Information"). Except as required by law or NASD or stock exchange rules, or as may be required for the preparation of tax returns or other government or legally required documents, or as reasonably necessary to employees, agents, lawyers, accountants, auditors, bankers, consultants, representative or investors of RRE, Guarantor or DW or their Affiliates for a bona fide business purpose (who shall be similarly bound by these confidentiality provisions), neither the Confidential Information nor any knowledge acquired by RRE, Guarantor or DW, as the case may be, from such Confidential Information or otherwise through its engagement hereunder shall be used, publicized or divulged by the other to any other Person without the prior written consent of the applicable Party obtained in advance and in each instance. Nothing herein shall prevent a Party, or any

employees, agents, lawyers, accountants, auditors, bankers, consultants, representative or investors of such Party or its Affiliates (the “Receiving Party”) from using, disclosing, or authorizing the disclosure of any information it receives in the course of performance of the Agreement which:

- a. was known to the Receiving Party prior to its disclosure by the other applicable Party;
- b. is or becomes publicly available without default hereunder by the Receiving Party;
- c. is lawfully acquired by the Receiving Party from a source which is not an agent or representative of the Receiving Party and is not under any obligation to the applicable Party regarding disclosure of such information;
- d. is independently developed by the Receiving Party without use of any of the applicable Party’s confidential information;
- e. is disclosed by the applicable Party hereto to unaffiliated third parties without confidential undertakings; or
- f. is necessary for the Receiving Party to defend against a claim brought by, or to assert a claim against the other applicable Party or any third party, provided that such information is submitted to the trier of fact under seal or is otherwise subject to an appropriate protective order upon prior notice to the applicable Party.

Notwithstanding anything herein to the contrary, any Party to the Agreement (and any employee, representative or other agent of such Party) may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the transaction contemplated by the Agreement and all materials of any kind (including opinions or their tax analyses) that are provided to it relating to such tax treatment and tax structure, except that (i) tax treatment and tax structure shall not include the identity of any existing or future party (or any affiliate of such party) to the Agreement and (ii) this provision shall not permit disclosure to the extent that nondisclosure is reasonably necessary in order to comply with applicable securities laws.

16. Notice of Representatives: DW will give RRE reasonable notice of DW’s appropriate contact person(s). RRE will give DW reasonable notice of RRE’s appropriate contact person(s).

17. Paragraph Headings: Paragraph headings and titles are solely for convenience of reference and are not a part of the Agreement, nor are they intended to aid or govern the interpretation of the Agreement.

18. Notices: All notices hereunder shall be served by private delivery services, or by email, and if sent by email shall be deemed given on the day after being sent and if sent by private delivery shall be deemed given on the date delivered to the following addresses (or such other addresses as such Party may hereafter designate in writing):

(i) If to DW:

DreamWorks L.L.C.  
1000 Flower Street  
Glendale, California 91201  
Attention: General Counsel

With copy to:

Cravath, Swaine & Moore LLP  
Worldwide Plaza  
825 Eighth Avenue  
New York, New York 10019  
Telecopy: (212) 474-3700  
Attention: Faiza J. Saeed, Esq.

(ii) If to RRE or the Guarantor:

Eiga Entertainment Inc.  
Lapiross Roppongi  
SF 6-1-24 Roppongi  
Minato-Ku, Tokyo 106-8533  
Attention: Mr. Takagi

Eiga Holdings Inc.  
13-3,2 Chome, Fujimi  
Chiyoda-Ku, Tokyo 102-8177  
Attention: Mr. Takagi

With copy to:

Stroock & Stroock & Lavan LLP  
2029 Century Park East  
Los Angeles, California 90067-3086  
Attention: Schuyler M. Moore, Esq.

19. Payments: All payments shall be made by wire transfer in immediately available funds to such bank account as shall be designated at least three (3) business days prior to the applicable payment date by the Party to

receive such funds, with payment deemed made on the date of the receiving Party's receipt of such funds.

20. Exercise of Discretion: Any consultations between the Parties pursuant to the Agreement shall be performed in good faith and any approval granted or denied by a Party shall be granted or denied in the exercise of such Party's reasonable good faith judgment and shall not be unreasonably delayed; provided, however, any determinations, discretion, designations, elections, instructions and approvals granted to or retained by DW in connection with the distribution of the Pictures hereunder shall be exercised by DW in its sole and absolute discretion except as otherwise provided herein or in the Exhibits. Notwithstanding the foregoing, each Party hereby preserves all of its rights and remedies available under applicable law.

21. Counterparts: The Agreement may be executed in multiple counterparts and transmitted by facsimile copy, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument, which may be sufficiently evidenced by one and the same instrument, which may be sufficiently evidenced by one counterpart. In the case of a counterpart sent by facsimile transmission, the sender shall contemporaneously transmit original, executed counterparts to the other Parties at the address and in the manner provided in Paragraph XIII.18 above; however, such transmission shall in no way alter the time at which the facsimile counterpart is deemed received.

22. Cross-Collateralization of Exhibit Remittances: If payments are required to or from the Parties pursuant to the Exhibits, each Party may cross-collateralize the aggregate amount due or owing pursuant to any Exhibit with the aggregate amount due or owing pursuant to any other Exhibits at any time prior to making the required payments hereunder. For the avoidance of doubt, the foregoing shall not authorize or permit any Party to set off any disputed amounts against any other amounts owed or charged to another Party pursuant to and in accordance with any Exhibit(s).

23. Right To Terminate: RRE shall have the right to terminate the Agreement (without such termination being treated as breach) by giving one year's advance written notice to DW; provided, upon receipt of such notice, DW shall have the reciprocal right at any time thereafter to terminate the Agreement by providing a Termination Notice to RRE, in which event DW shall not be obligated to deliver any additional DW Pictures to RRE pursuant to any Exhibits. Upon such termination, DW shall have the absolute right to withdraw any DW Picture(s) delivered to RRE prior to such termination or may elect to cause RRE to distribute and service any or all of such DW Pictures pursuant to the terms and conditions of each Exhibit as DW designates until the end of such termination year. Such termination by RRE or DW pursuant to this Paragraph XIII.23. shall not give rise to any obligations of DW to redeem the Class J Shares.

24. Use of Affiliate Services: If RRE or its Affiliates provide DW any services that would otherwise be provided by third parties, and if the payment for such services would otherwise be reimbursable by DW, then RRE shall have the right to charge DW for such services, provided RRE has obtained DW's prior written approval in accordance with this Paragraph XIII.24. DW shall have the right to approve any services provided by RRE or its Affiliates that would otherwise be rendered by third parties, including any determination by RRE or its Affiliates to terminate any such third party services in respect of DW Pictures and render such services internally. All such services rendered by RRE or its Affiliates shall be no less favorable in quality, pricing and timeliness than such services as rendered by the applicable third parties in connection with DW Pictures. All costs to be charged pursuant to this Paragraph XIII.24. shall be subject to DW's right to approve all Distribution Expenses (as defined in the Exhibits).

25. Audit and Accounting Rights of RRE: With respect to amounts owed to RRE by DW in connection with the collection of Gross Receipts or other revenues as specified in each Exhibit (such as Gross Receipts from Excluded Non-Theatrical Rights pursuant to Exhibit A or VOD revenue pursuant to Exhibit D), RRE shall have identical audit and accounting rights as granted to RRE pursuant to Exhibit C, with each payment to be accompanied by a reasonably detailed accounting statement. Unless otherwise provided in the Master Agreement or applicable Exhibit(s), all such payments by DW to RRE shall be made within thirty (30) days after the end of each calendar quarter.

26. Staffing

a. Right to Holdback Rights: RRE and Asmik Ace shall fill the positions set forth on Schedules 1 and 2, attached hereto and incorporated herein by reference, within the timelines set forth on such Schedules and Exhibit B. Until RRE and Asmik Ace have met such requirement to DW's reasonable satisfaction, DW shall have the right to withhold the grant of some or all DW Pictures under either or both of Exhibits A and B until such requirement has been met, and any such DW Pictures so withheld from RRE pursuant to this Paragraph XIII.26.a. shall be deemed to constitute Pictures Delivered during the Output Term (as such capitalized terms are defined in Exhibit A).

b. Other Distributors: If (a) RRE or Asmik Ace enter into any form of overall or output agreement with a U.S. based supplier (i.e., any third party that intends to provide six [6] or more motion pictures for theatrical distribution in any consecutive twelve [12] month period), and (b) such distribution is not handled by newly hired employees wholly dedicated to such distribution, then RRE and Asmik Ace shall increase their staffing sufficient to continue to distribute DW Pictures as distributed by RRE prior to such overall or output agreement. Until RRE and Asmik Ace have met such requirement to DW's reasonable satisfaction,

DW shall have the right to withhold the grant of some or all further DW Pictures under either or both of Exhibits A and B until such requirement has been met.

27. Income Taxes: Notwithstanding anything to the contrary in this Master Agreement or the Exhibits, in no event is RRE indemnifying DW for DW's own U.S. or Japanese income taxes, and such taxes shall not be treated as distribution expenses under any Exhibits.

28. Consultation: DW shall consult with RRE in advance prior to requiring any DW Picture to be distributed by RRE under either Exhibit A or Exhibit B, provided, however, in the event of a disagreement, DW's decision shall be final and binding.

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the date first written above.

DREAMWORKS L.L.C

By \_\_\_\_\_

Its \_\_\_\_\_

\_\_\_\_\_ ENTERTAINMENT INC.

By \_\_\_\_\_

Its \_\_\_\_\_

\_\_\_\_\_ HOLDINGS INC.

By \_\_\_\_\_

Its \_\_\_\_\_

\_\_\_\_\_  
ENTERTAINMENT, INC.  
STAFFING - THEATRICAL DISTRIBUTION

1) SVP Marketing & Distribution (English a priority)

MEDIA

2) Director Media Strategy/Planning (English a priority)

3) Manager Media Buying

CREATIVE

4) Director of Creative (English a priority)

5) Creative/Traffic Coordinator

SALES/DISTRIBUTION

6) VP Sales (English a priority)

7) Sales Booker

8) Sales/Distribution Coordinator

PUBLICITY

9) Senior Publicist (English a priority)

10) Junior Publicist (English a priority)

11) Publicity Assistant

PROMOTIONS

12) Director of Promotions (English a priority)

13) Manager of Promotions

14) Promotions Assistant

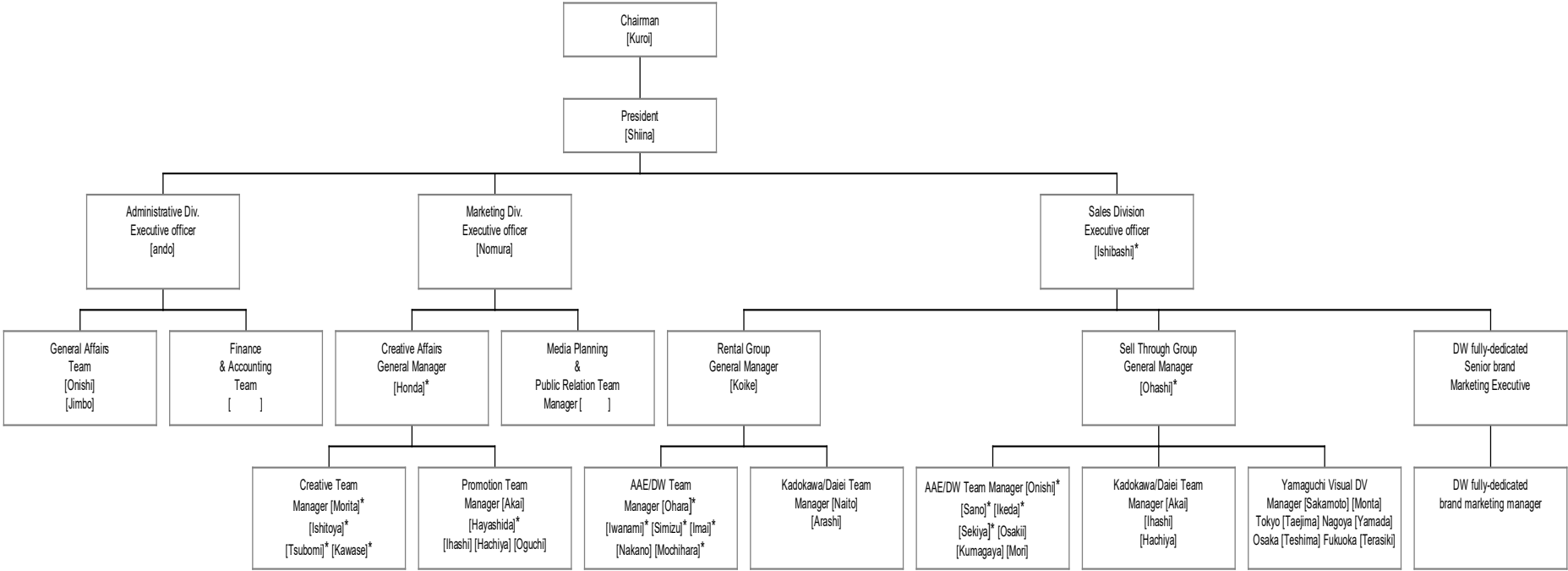
OPERATIONS

15) Print Manager (English a priority)

16) Dubbing/Translation Supervisor (English a priority)

17) Backroom Coordinator

Schedule 1



Chairman	1
President	1
Executive officer	3
General Manager	4
Manager	8
Staff	23
= 40	

\*KKE shall also add two operations employees devoted in whole or in part to DW's business, either by re-allocating existing staff or by hiring additional staff.



## EXHIBIT E

### CONTINUING GUARANTEE

This Continuing Guarantee ("Guarantee") dated as of April 22, 2004 is made with reference to the Master Agreement dated as of April 22, 2004 among DreamWorks L.L.C. ("DW"), Eiga Entertainment Inc. ("RRE") and Eiga Holdings Inc. ("Guarantor") with respect to the distribution of DW theatrical motion pictures and other productions in certain media in Japan (the aforesaid agreement and all related and/or successive transactions and agreements between DW and RRE are hereinafter referred to collectively as the "Agreement").

1. As an inducement for DW to enter into the Agreement, and in consideration of the benefits Guarantor will derive from DW's performance of its contractual obligations as required by the Agreement, Guarantor absolutely, irrevocably and unconditionally guarantees the performance and payment by RRE of all obligations of RRE pursuant to the terms and conditions of the Agreement including, without limitation, any obligation or indebtedness arising out of any failure of RRE to perform any obligations under the Agreement or to comply with any term or provision thereof (collectively the "Guaranteed Obligations") in full when due (whether at maturity or by acceleration or otherwise).

2. The obligations of Guarantor hereunder are independent of the obligations of RRE and a separate action or actions may be brought against Guarantor whether or not an action is brought against RRE and whether or not RRE is joined in any such action or actions. Guarantor agrees that its obligations hereunder shall not be exhausted by (i) any number of actions until the Guaranteed Obligations have been fully paid or performed; or (ii) any failure or omission or delay by DW to exercise any right or remedy pursuant to the Agreement or otherwise. This Guarantee shall continue to be effective or reinstated, as the case may be, if at any time payment of any amount paid pursuant to the Agreement is rescinded or otherwise returned by DW upon the insolvency, bankruptcy or reorganization of RRE as if such amount had not been paid.

3. Guarantor agrees that any amendment or modification of the Agreement or the terms of the Guaranteed Obligations shall not affect this Guarantee, whether or not any such amendment or modification varies or increases the risk of or affects the rights or remedies of Guarantor. Guarantor authorizes RRE and DW upon their mutual agreement without notice or demand and without affecting Guarantor's liability hereunder, from time to time to renew, compromise, extend, accelerate or modify the Agreement or otherwise change the terms of the Guaranteed Obligations or any part thereof. No assignment permitted by the Agreement will relieve Guarantor of its obligations to DW with respect to the Guaranteed Obligations.

4. Guarantor waives any right to require DW to (i) proceed against RRE; or (ii) pursue any other remedy in DW's power whatsoever prior to proceeding against Guarantor. Guarantor waives any defense arising by reason of (a) the insolvency or bankruptcy of RRE, (b) lack of authority of RRE or the person(s) signing the Agreement

asmikace/031204masteragmt

on behalf of RRE, and/or (c) any disability or incapacity of the person(s) signing the Agreement on behalf of RRE. Guarantor waives all presentments, notice of or right to consent to any modification extension or alteration; notice of nonperformance; protests, notices of protest; notices of dishonor; and notices of acceptance of this Guarantee and of the existence, creation or incurring of new or additional obligations affecting the Guaranteed Obligations.

5. Guarantor's obligations hereunder shall not be released, in whole in on part, by any action or thing that might, but for this provision of this Guarantee, be deemed a legal or equitable discharge of a surety or guarantor, nor will any modification of any of RRE's obligations by operation of law or by the action of any third party affect in any way Guarantor's obligations hereunder, and Guarantor hereby expressly waives any defense to Guarantor's liability hereunder based upon any of the foregoing actions, things, agreements or waivers or any rights or remedies accorded by applicable law to guarantors or sureties.

6. Wherever possible the provision of this Guarantee shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision(s) of this Guarantee shall be prohibited by or invalid under such law, such provision(s) shall be ineffective to the extent of such prohibition or invalidity; provided, however, that in such event the provision(s) of this Guarantee so affected will be curtailed and limited only to the extent necessary to permit compliance with the minimum legal requirement, and no other provisions of this Guarantee will be affected thereby.

7. Guarantor expressly agrees that (i) its liability and obligations under this Guarantee will not in any way be affected by the institution by or against RRE or any other person or entity (other than Guarantor) of any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or any other similar proceedings for relief under any bankruptcy law or similar law for the relief of debtors; and (ii) any discharge of any of the Guaranteed Obligations pursuant to any such bankruptcy or similar law or other law will not discharge or otherwise affect in any manner Guarantor's obligations under this Guarantee.

8. Guarantor shall not exercise any rights which it may have acquired by way of subrogation under this Guarantee, by any payment made hereunder or otherwise nor shall Guarantor seek any reimbursement from RRE in respect of payments made by Guarantor hereunder, unless and until all of the Guaranteed Obligations shall have been paid to DW and discharged in full, and if any payment shall be made to Guarantor on account of such subrogation or reimbursement rights at any time when the Guaranteed Obligations shall not have been paid and discharged in full, each and every amount so paid shall forthwith be paid to DW to be credited and applied against the Guaranteed Obligations.

9. This Guarantee will inure to the benefit of DW, its successors and assigns, and bind Guarantor and its successors and assigns. DW will be entitled to assign this Guarantee and all of its rights, privileges, interests and remedies hereunder in whole or in part, to any person, firm, association, corporation or other entity that succeeds to all or

asmikace/031204masteragmt

substantially all of the business of DW and such assignee will be entitled to the benefits of this Guarantee so assigned and to exercise all rights, interests and remedies so assigned as fully as DW.

10. All remedies afforded to DW by reason of this Guarantee shall be separate and cumulative remedies, and no one of such remedies, whether exercised by DW or not, will be deemed to be an exclusion of any other available remedies or a limitation on any other legal or equitable remedy which DW may have hereunder or otherwise with respect to the Guaranteed Obligations.

11. Guarantor hereby agrees to indemnify DW from and against any and all loss, cost, damage or expense of any nature whatsoever (including without limitation attorneys' fees) arising out of or in connection with any failure of Guarantor fully and timely to perform its obligations under this Guarantee.

12. All notices hereunder shall be served as provided in the Master Agreement and shall be deemed given on the date delivered to the following addresses (or such other addresses as such party may hereafter designate in writing):

To DW: DreamWorks L.L.C.  
1000 Flower Street  
Glendale, California 91201  
Attn: General Counsel

With Courtesy  
Copy to: Cravath, Swaine & Moore LLP  
Worldwide Plaza  
825 Eighth Avenue  
New York, New York 10019  
Telecopy: (212) 474-3700  
Attention: Faiza J. Saeed, Esq.

Guarantor: Eiga Holdings Inc.  
13-3, 2 Chome, Fujimi  
Chiyoda-Ku, Tokyo 102-8177  
Japan  
Attn: Mr. Takagi

With Courtesy  
Copy to: Stroock & Stroock & Lavan LLP  
2029 Century Park East  
Los Angeles, California 90067-3086  
Attn: Schuyler M. Moore, Esq.

asmikace/031204masteragmt

13. This Guarantee shall be governed by and construed under the laws of the State of California and the Parties hereto irrevocably submit to the jurisdiction of its courts, including the Federal Courts located in California. Any action or proceeding arising out of or relating to this Guarantee and all claims in respect thereof shall be heard and determined in such courts.

14. This Guarantee contains the full and complete understanding between the Parties and supersedes all prior and contemporaneous agreements and understandings pertaining there to and cannot be modified except by a writing signed by each Party.

IN WITNESS WHEREOF, Guarantor has executed this Guarantee as of the date first written above.

\_\_\_\_\_ HOLDINGS INC.  
(Guarantor)

By: \_\_\_\_\_

Its: \_\_\_\_\_