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As used in this Agreement, Footage means, collectively, (a) any photographic image, still image(s), moving images, animations, films, videos or other audio/visual representations recorded in any format, and (b) music, sound and sound effects recorded in any format, that are controlled by or obtained, directly or indirectly, from BSSF. The various rights restrictions for the Footage licensed pursuant to this Agreement are set forth on the applicable Order documents accompanying this Agreement.

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- 4. **Express Delivery.** For deliveries on Tape, Hard Drive or DVD or other physical media, rather than downloading, you agree to pay, in addition to our costs, any express delivery charges described on the Order. Express delivery is by FedEx delivery service.
- 5. **Termination of License.** If you do not comply with the terms and conditions of this Agreement, then this Agreement and the Licenses granted hereunder will automatically terminate and you and any of your end-users must cease using any Footage immediately and delete, destroy and/or return all copies of the Footage to BSSF and to the extent possible and within Licensee's control, cease future use of the Footage in derivative works. Such termination will not affect your payment obligations under this Agreement.
- 6. **Condition of Footage.** You should examine all Footage for possible defects (whether digital or otherwise) before licensing it. BSSF shall not be liable for any loss or damage suffered by you or any third party, whether directly or indirectly, arising from any alleged or actual defect in any Footage or in any way from its reproduction.
- 7. **Unauthorized Use.** Any use of Footage by you or your customers in a manner not expressly authorized by this Agreement or in breach of any term of this Agreement constitutes copyright infringement, entitling BSSF to exercise all rights and remedies available to it under copyright laws around the world. You shall be responsible for any damages resulting from any breach or alleged breach of this Agreement or any term of this Agreement, including any claims by third parties. In addition to the foregoing and without prejudice to BSSF's other remedies under this Agreement, BSSF reserves the right to charge you and you agree to pay a fee equal to five times BSSF's then-current normal license fee for use of the Footage.
- 8. **Taxes and Duties.** You are responsible for paying any and all applicable sales taxes, use taxes, value added taxes, customs and duties imposed by any jurisdiction as a result of the license granted to you, or your use of the Footage, pursuant to this Agreement in addition to the price paid for BSSF's Footage.
- 9. **Verification.** For verification purposes, to ensure compliance with the terms and conditions of this agreement, Licensee agrees that upon completion of the final version of this production and upon request of BSSF, you shall furnish BSSF with a copy of such work at no cost. To the extent possible, this delivery shall be made prior to distribution of this final work and on one of the following format: Digital File Format.

12. License Restrictions.

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- 13. **Releases and Clearances.** BSSF will notify you in writing where it has obtained a model release and/or a property release for Footage if available. You agree not to use any Footage in a politically partisan manner without written permission from BSSF, such approval may be withheld for any reason. Except as specifically notified by BSSF to you, BSSF does not provide any copyright clearance or model or property releases with respect to the Footage and grants no rights and makes no warranties with regard to the use of names, people, trademarks, trade dress, registered, unregistered or copyrighted designs or works of art or architecture depicted in any Footage. You shall be solely responsible for determining whether a clearance or release is required in connection with any proposed use of such Footage. You acknowledge that some jurisdictions provide legal protection against a person's image, likeness or property being used for commercial purposes without their consent. BSSF makes no representations or warranties as to whether or not any additional fees or payments may be due to any trade union, trade organization or model depicted in Footage.
- 14. **Electronic Storage.** For all Footage that you take delivery of in electronic form, you must retain the name of BSSF and the image number or other identification number associated with the Footage as part of the electronic file. You may not make additional high-resolution copies of the Footage, except for normal backup and archiving purposes, and you will maintain a robust firewall to safeguard against unauthorized third-party access to the Footage. Upon the expiration or earlier termination of this Agreement, you shall promptly delete the Footage from your computers or other electronic storage systems and shall ensure that your sub-contractors do likewise.
- 15. **Copyright and Copyright Notice.** All Footage is copyright BSSF or its licensors and is protected by United States Copyright laws, international treaty provisions and other applicable laws. No title or intellectual property rights in the Footage are transferred to you. BSSF and its licensors retain all rights not expressly granted by this Agreement. You agree to provide copyright attribution as requested.

- 16. **Credit.** When incorporating the Footage in print, film features, broadcast productions, or video products, BSSF requests a credit line that reads "Additional Cinematography by Blue Sky Stock Footage" or "Stock Footage provided by Blue Sky Stock Footage" or "Blue Sky Stock Footage", subject to the approval of Licensees' Producer."
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- 19. EXCLUSIVE REMEDY. THE SOLE AND EXCLUSIVE REMEDY FOR A BREACH OF THE LIMITED WARRANTY IS THE REPLACEMENT OF THE FOOTAGE OR REFUND OF THE PURCHASE PRICE, AT BSSF'S OPTION.
- 20. LIMITATION OF LIABILITY. BSSF'S LIABILITY WHETHER IN CONTRACT, IN TORT, UNDER ANY WARRANTY, IN NEGLIGENCE OR OTHERWISE SHALL NOT EXCEED THE RETURN OF THE AMOUNT OF THE PURCHASE PRICE PAID BY YOU AND UNDER NO CIRCUMSTANCES SHALL BSSF BE LIABLE FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES, OR LOST PROFITS OR ANY OTHER DAMAGE. THE PRICE STATED FOR THE FOOTAGE IS A CONSIDERATION IN LIMITING BSSF'S LIABILITY. NO ACTION, REGARDLESS OF FORM, ARISING OUT OF THE TRANSACTIONS UNDER THIS AGREEMENT MAY BE BROUGHT BY YOU MORE THAN ONE YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED.
- 21. Licensee Warranties. You represent, warrant and covenant that
 - a. You are at least eighteen years of age and have the full right and authority to enter into this License on behalf of you and/or your company, employer or principal;
 - b. You do not reside in any country to which export of US products are prohibited or restricted and you may not ship, transfer or export any of the Footage into any country or use any of the Footage in any manner prohibited by any laws, restrictions or regulations;
 - c. You will not use the Footage in any way that is not permitted by this License;
 - d. Your use of the Footage will not violate any applicable law or regulation of any country, state, or other governmental entity;
 - e. The information that you provide to BSSF is accurate and true, including, without limitation, all credit card or other payment information and you shall update such information as necessary;
 - f. You are solely responsible for determining whether your use of any Footage requires the consent of any other party or the license of any additional rights. If you are unsure

- whether additional rights are needed for your use of the Footage you are responsible for consulting with competent legal counsel; and
- g. If you are acting as an agent, you represent and warrant that you have authority to enter into the terms of this Agreement and you have full power to bind Licensee.
- 22. **Indemnification.** a) You, the Licensee assumes full responsibility for the use of the Footage. Licensee agree to defend, indemnify and hold BSSF (including its licensors, officers, directors, employees, affiliates, successors, assigns, distributors and agents) harmless against all claims, lawsuits, demands, damages, torts, loss, liability, or expenses (including reasonable attorneys' fees) arising out of your use of the Footage, by reason of any breach or alleged breach of the terms and conditions and warranties of this Agreement by you, your end-users or customers, or your failure to obtain any releases or pay any amounts owed to any trade association, guild or similar organization, if applicable, for your use of the Footage. b) Provided that the Footage is only used in accordance with this Agreement, including the terms set forth in the Order, and you are not otherwise in breach of this Agreement, BSSF shall defend, indemnify and hold you harmless from all damages (excluding punitive damages), liabilities and expenses (including reasonable outside attorney's fees and permitted and authorized costs), arising out of or connected with any actual or threatened lawsuit, claim or legal proceeding alleging that BSSF is in breach of its warranties set forth in section 17 above. The foregoing states BSSF's entire indemnification obligation under this Agreement and Licensee's sole and exclusive remedy for any alleged or actual breach of the representations and warranties set forth in section 17 above.
- 23. Claim Process. The party seeking indemnification pursuant to Section 20 shall promptly notify the other party of such claim. At the indemnifying party's option, the indemnifying party may assume the handling, settlement or defense of any claim or litigation, in which event the indemnified party shall cooperate in the defense of any such claim or litigation. The indemnified party shall have the right to participate in such litigation, at its expense, through counsel selected by the indemnified party. The indemnifying party will not be liable for legal fees and other costs incurred prior to the other party giving notice of the claim for which indemnity is sought.
- 24. **Severability.** If any term or provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Agreement, and such provision shall not affect the legality, enforceability, or validity of the remainder of this Agreement. If any provision or part thereof of this Agreement is stricken in accordance with the provisions of this section, then the stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.
- 25. **Consent to Jurisdiction.** The parties hereto agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the State and Federal courts located in the State of New Mexico.
- 26. Choice of Law. This Agreement will be governed in all respects by the laws of the State of New Mexico, U.S.A., without reference to its laws relating to conflicts of law. The United Nations Convention on Contracts for the International Sale of Goods does not govern this Agreement. Notwithstanding the foregoing, BSSF shall have the right to commence and prosecute any legal or equitable action or proceeding before any court of competent

- jurisdiction to obtain injunctive or other relief against you in the event that, in the opinion of BSSF, such action is necessary or desirable.
- 27. **Enforcement of Rights.** You agree to reimburse BSSF for its legal fees, costs and disbursements if BSSF is successful in enforcing any of its rights under this Agreement including, without limitation, in connection with any action to collect payment.