

RECIPROCAL REPRESENTATION AGREEMENT

Agreement between AMAR/SOMBRAS - ASSOCIAÇÃO DE MUSICOS, ARRANJADORES E REGENTES/SOCIEDADE MUSICAL BRASILEIRA, neste ato representada por seu Presidente Marco Venicio Mororo de Andrade, (AMAR) whose address is Avenida Rio Branco, nº18-19º andar – Centro – Rio de Janeiro, CEP 20090-000, (herein called "AMAR"), and MUSİKİ ESERİ SAHİPLERİ GRUBU (MSG), whose address is ~~4. Gazeteciler Sitesi Ülgen Sokak A21/2, Levent 80670 İstanbul /TURKEY~~ (herein called "MSG"). *Altzeren Sokak N.5 1. Levent*

NOW IT IS HEREBY AGREED AS FOLLOWS :

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I - DEFINITIONS

1. For the purposes of this agreement :
 - a) The word "term" shall mean the period commencing January 1, 2001 and (The present Contract shall continue in force from year to year by automatic extension for further periods of a year at a time, by tacit agreement subject to the right of termination with effect from the expire of each year by giving at least a six months written notice by registered post with acknowledgment).
 - b) The words "AMAR territory" shall mean Brazil.
 - c) The words "MSG territory" shall mean Turkey.
 - d) The words "MSG works" shall mean all musical compositions, including individual compositions embodied within dramatico-musical works, which are or during the term shall be in the repertory of MSG and in which publication rights for the AMAR territory have been or during the term shall be granted by a member of MSG to a publisher who is an affiliate of AMAR.
 - e) The words "AMAR works" shall mean all musical compositions, including individual compositions embodied within dramatico-musical works, which are or during the term shall be in the repertory of AMAR and with respect to which AMAR controls performing rights for the MSG territory.

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II. LICENSES

1. MSG hereby grants to AMAR, on a non-exclusive basis subject to the conditions in subparagraph (a) of this Paragraph II (1), for the term and for the AMAR territory all rights which MSG owns or acquires to broadcast and otherwise publicly perform the MSG works by any means whatsoever, whether now known or hereafter developed, and to grant licenses to do so; but this shall not include dramatic rights, the right to perform dramatico-musical works in whole or in substantial part, the right to present individual works in a dramatic setting or the right to use the music licensed hereunder in any other context which may constitute an exercise of the "grand rights" therein.
 - a) MSG shall not have the right to grant "non-exclusive" performing rights in an MSG Work to any other performing rights licensing organization in the AMAR territory.
 - b) It is the intention of the parties that AMAR and its licensees shall enjoy all rights in the MSG works incidental to the normal grant of performing rights

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which are enjoyed by AMAR's licensees in musical compositions in the AMAR territory, including

- (i) the non-exclusive right to record, and to license others to record, any part or all of any of the MSG works on electrical transcriptions, wire, tape, film or otherwise, but only for the purpose of performing such work publicly by means of radio and television or for archive or audition purposes and not for sale to the public nor for synchronization with motion pictures intended primarily for theatrical exhibition nor for synchronization with programs distributed by means of syndication to broadcasting stations, and
 - (ii) the non-exclusive right to adapt or arrange any part or all of any of the MSG works for performance purposes, and to license others to do so.
- c) In each instance where a contract is executed by a member of MSG during the term hereof or has been executed during the term of any prior agreement between AMAR and MSG for the publication in the AMAR territory by any publisher affiliated with AMAR of any musical composition in the repertory of MSG, the grant contained in this Paragraph II (1) shall automatically be applicable to such musical composition. In each instance when a contract executed by the member of MSG for the publication in the AMAR territory of the MSG work by a publisher who shall be a member of a Brazilian performing rights licensing organization other than AMAR and MSG shall have given AMAR written notice thereof at least thirty (30) days prior to the effective date of such contract.

2. AMAR hereby grants to MSG, on a non-exclusive basis, for the term and for the MSG territory all rights which AMAR owns or acquires in the MSG territory to broadcast and otherwise publicly perform the AMAR works by any means whatsoever and to grant licenses to do so except as provided in sub-paragraph (a) of this Paragraph II (2); but this shall not include dramatic rights, the right to perform dramatico-musical works in whole or in substantial part, the right to present individual works in a dramatic setting or the right to use music licensed hereunder in any other context which may constitute an exercise of the "grand rights" therein.

- (a) This agreement only covers use of AMAR's works within MSG's territory. Any license or use of AMAR's works outside MSG's territory by a user or On-Line provider, whether by satellite, internet, or otherwise, are excluded from this agreement and reserved for AMAR.
- (b) It is the intention of the parties that MSG and its licensees shall enjoy all rights in the AMAR works incidental to the normal grant of performing rights which are enjoyed by MSG's licensees in musical compositions in the MSG territory, including
 - (i) the non-exclusive right to record, and to license others to record, any part or all of any of the AMAR works on electrical transcriptions, wire, tape, film or otherwise, but only for the purpose of performing such work publicly by

- means of radio and television or for archive or audition purposes and not for sale to public nor for synchronization with motion pictures intended primarily for theatrical exhibition nor for synchronization with programs distributed by means of syndication to broadcasting stations, and
- (ii) the non-exclusive right to adapt or arrange any part or all of any of the AMAR works for performance purposes, and to license others to do so.

III - ADMINISTRATION

1. Each party agrees to cooperate generally in the best interest of their mutual relationship and to respond promptly to inquiries of the other party with respect to their respective repertoires.
2. Each party shall notify the other of each publishing or sub-publishing contract between a member or affiliate of such party and a member or affiliate of the other of which such party receives written advice. Upon request of one party, the other party will use its best efforts to transmit to the other all information as to titles, publisher and author/composer of the works embraced hereby (e.g. fiche internationale, cue sheets etc.)
3. Each party shall notify the other, within ninety (90) days after such information shall become available of :
 - (a) Any local language version of a work of the other party for which it intends to make payment to the local author or translator thereof (herein called the "sub-lyricist"); and
 - (b) Any substitution or other modification of the original music in film, television or any other audio-visual program.
4. MSG shall supply AMAR at least once a year with a listing, if possible in electronic format, containing available information as to unidentified works which were performed on radio, television or otherwise the preceding year, as well as the amount of royalties payable, if such work is identified. Such listing shall be in descending monetary order in the local currency of MSG (Turkish Lira), i.e., first listing the works for which the highest royalty amount would be payable. The parties shall confer with each other to determine the exact format of such listing.
5. All claims of perceived omissions or errors in the accounting or distribution of royalties as provided in Paragraph IV of this agreement must be made in writing within three (3) years of such accounting or distribution.
6. Debits shall be included in the regular distribution. However, each party shall supply the other with respect to each debit :
 - (a) An explanation for the debit; and
 - (b) An indication as to which regular royalty accounting statement contained the original credit which is the subject debit. No debit shall be made for less than 50.00 USD per work.

Further, no debit of any amount shall be made for a period in excess of three (3) years from the date of the royalty accounting statement in which the original credit was paid.

7. Each party shall, upon request, supply the other with copies of its current articles, rules, regulations, rate schedules and other documents which shall pertain to its distribution method and shall promptly forward to the other all subsequent modifications thereof.
8. Each party shall have the right to designate in writing a representative who shall, during normal business hours, have reasonable access to the books and records of the other insofar as said books and records relate to the subject matter of this agreement. The choice of such representative shall be subject to the approval of the other party, which shall not be unreasonably withheld.
9. Each party makes, constitutes and appoints the other, or its nominee, said party's true and lawful attorney irrevocably during the term hereof, in the name of the other party or that of its nominee, or in said party's name or in the name of the owner of the copyright or the author/composer of any work embraced hereby, or otherwise, to do all acts, take all proceedings and execute, acknowledge and deliver any and all instruments, papers, documents, process or pleadings that may be necessary, proper or expedient to restrain infringement of the rights granted by said party hereunder and/or to enforce and protect said rights, and to recover damages in respect to or for the infringement or other violation of said rights, and in the other party's sole judgment to join said party and/or others in whose names the copyright to said works may stand, and to discontinue, compromise or refer to arbitration, any such actions or proceedings or to make any other disposition of the disputes in relation to said works: provided that any action or proceeding commenced by the other party pursuant to the provisions of this Paragraph III (8) shall be at its sole expense and for its sole benefit. Each party agrees to promptly furnish the other with all documents which may be necessary to enforce said rights and to cooperate generally with the other party with respect thereto.

IV. ACCOUNTING AND DISTRIBUTION

1. Each party agrees to apply to the other for performances of the other's works in said party's territory at exactly the same licensing and distribution rules and rates as said party shall be applying to its own authors / composers and publishers of compositions whose performing rights it licenses. The number of such performances shall be determined by each party in accordance with its then current method of computing such performances.
2. Payments made by each party to the other shall be accompanied by a royalty accounting statement showing the period of time covered by the accountings and the following information :
 - (a) Original title of each work or each show covered ; accompanied with the ISWC or ISAN
 - (b) Identity of all authors / composers and publishers for whom payment is being made ; accompanied with the CAE (IPI) numbers ; and
 - (c) Percentage of author / composer and publisher shares being transmitted.
3. Payment for any substitution or other modification of original music in film, television or any other audio-visual program that is made without approval from

AMAR or MSG respectively or the original publisher under Paragraph III (3)(b) above, shall be made to said party as if the original music was the music performed.

4. No distributions , special distributions or other payments of any nature shall be made by either party solely to its own members or affiliates. In particular, interest or other financial income shall benefit each party's members or affiliates alike on a pro-rata basis. All such distributions shall be shared with the other party by treating its repertory on an equal basis with such other party's repertory . The use of financial income in reduction of administrative cost shall satisfy the provision of this Paragraph IV (4)
5. Each party shall transmit payment and accountings hereunder at such times as payments are made to its own members or affiliates , but in no event at less than semi – annual intervals within twelve (12) months after the close of each semi – annual period of the term hereof.

Subject to the deductions described in Paragraph V below , the payable by each party to the other with respect of the other's works shall represent full payment as indicated on each accounting rendered hereunder for all of the authors / composers and publishers who are members or affiliates of such other party. All payments by each society shall be made in its own local currency. Each party shall make payments by electronic bank transfer to the other's bank, as directed, or at such other place or places or by such other method or methods as the other party may request in writing from time to time. If payment by either party is made later than twelve (12) months after the close of any semi – annual period of the term hereof, such party shall provide the other with an amount of United States dollars which compensates the other for any monetary loss resulting from the difference in exchange rates which prevailed on the last day payment was due.

- V. The making of all payments hereunder by each party to the other shall be subject to all applicable laws, rules, regulations and orders of the Brazilian government and Turkish government, respectively, and their departments, bureaus or sub-divisions, states or provinces including without limitation deductions or withholding for tax purposes.

V. DEDUCTIONS

1. Each party shall be entitled to make such deductions from the royalties payable under this agreement to the other as shall be in accordance with its normal operating procedures ; provided, however, that identical deductions or are made by said party with respect to its own members or affiliates.
2. Either party shall be entitled to make a “Cultural Deduction” , provided that :
 - (a) This deduction does not exceed five (5 %) percent of the royalties distributed to the other party , such amount never to exceed \$25.000
 - (b) This fund is used for cultural purposes only

- (c) Each party shall provide the other with a detailed report about the use of this fund within six (6) months after the end of each calendar year
3. With respect to each party's works in which publication rights for the other party's territory have been granted to a publisher member or affiliate of the other party, the other party shall have the right to apportion for the account of such publisher that share of the normal publisher performance royalties as such publisher is entitled to pursuant to the contract granting such publication rights, and to deduct that amount from the publisher royalties payable to said party.
4. No deductions or reductions of the royalties payable hereunder shall be made for editions, arrangements or adaptations, nor for local language versions of a work unless such edition, arrangement, adaptation or local language version is approved by the original publisher.
5. An amount up to maximum of twenty - five percent (25%) of the normal authors/composer performance royalties (i.e., twelve and one-half percent (12.50%) or $\frac{3}{24}$ of the total) may be allocated by the other party for the account of a local sublyricist and deducted from the author / composer's share payable to said party but only with respect to performances of such local lyric or translated version and as long as approval was given under Paragraph V (4) above.

(a) Royalties with respect to performances of an authorized local language version of a work shall payable on the following basis:

- i. Where it is clear that the local version of the work was performed, the share payable to the sub-lyricist or sub-composer shall be no greater than $\frac{3}{24}$ ths of the total royalties payable and the balance of the author /composer share of $\frac{9}{24}$ ths shall be payable to AMAR or MSG respectively on behalf of the original composer and original lyricist;
- ii. Where there is genuine doubt as to whether the original or arrangement, adaptation, local language version or instrumental version was performed, there shall be no deduction.

(b) In no event shall the sub-lyricist be entitled to any part of the lyricist share of royalties where the original version of the work was performed.

VI. INDEMNIFICATION

1. Each party agrees to defend, indemnify and save and hold the other and its licensees free and harmless from any all and damage (including reasonable attorneys' fees) resulting from any claims or actions arising out of the grants made hereunder by said party to the other, or arising out of the performance of any one or more of said party's works in the other's territory; provided, however, that the obligations of said party referred to in paragraph shall not apply to any matter added to, or changes made in, any work by any of the other party's members of affiliates or its licensees.

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VII. WARRANTY

1. Each party represents and warrants that it has full rights and power to enter into this agreement and to the grants herein contained ; and that the herein granted are free of all encumbrances and claims.

VIII. ASSIGNMENT

1. Each of the parties agrees that it shall not , without the written consent of the other , assign this agreement or any of its rights hereunder. No rights of any kind against the other will be acquired by the assignee if any purported assignment is made by said party without such written consent.

IX. AGREEMENT

1. It is agreed and understood that during the term of this agreement , MSG shall not grant to any other performing rights licensing organization any conditions, deductions, privileges, payments or any other terms which shall be in any respect more favorable than those which shall have been granted to AMAR pursuant hereto. In the event that MSG, in violation of this provision, shall grant such more favorable terms to any such organization, AMAR shall have the option , in its sole discretion, to:
 - (a) Deem this agreement modified so that such more favorable terms are incorporated herein, effective as of the date such terms were granted to such other organization , or
 - (b) Deem such grant to such other organization a material breach of this agreement and to cancel this agreement on thirty (30) day's advance notice by registered or certified mail. In the event of such cancellation , MSG shall be liable , in addition to all other remedies available to AMAR , for payment to AMAR of all damages which may ensue on account of such grant to such other organization from the date thereof to the termination of this agreement.
2. It is agreed and understood that the paragraph headings in this agreement are included for convenience of reference purposes only.
3. It is agreed and understood that this agreement constitutes the entire understanding between MSG and AMAR with respect to the subject matter hereof and cancels and supersedes as of the effective date hereof any and all prior agreements, understandings and arrangements between the parties. No waiver of , addition to or modification of this agreement shall be valid unless in writing and signed by MSG and AMAR .
3. In the event any part or part of this agreement are found to be void by a Court of competent jurisdiction, the remaining part or parts shall nevertheless be binding with the same force and effect as if the void part or parts were deleted from this agreement.



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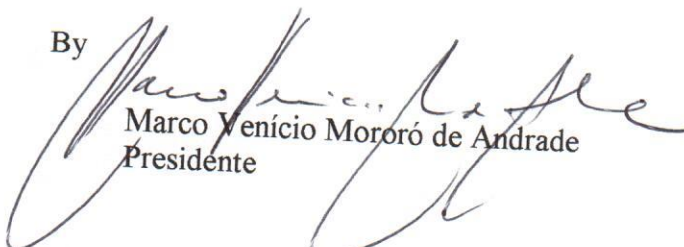
X.LAW

1. The competent Court in case of any dispute relating to or arising out of this agreement shall be that of the place where defendant has its principal place of business.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their Chairmans on the 14th day of January 2004.


AMAR/SOMBRÁS

By


Marco Venício Mororó de Andrade
Presidente

MUZIK ESERİ SAHIPLERİ GRUBU
MESLEK BİRLİĞİ

By


ZEYNEP TALU
PRESIDENT