



"SHERLOCK HOLMES"

**COVENANT NOT TO SUE
AND RELEASE OF ALL CLAIMS**

This Covenant Not to Sue and Release of All Claims ("Agreement") is made and entered into as of the 11th day of October 2007, by and between Warner Bros. Pictures, a division of WB Studio Enterprises Inc., ("Warner"), whose address is 4000 Warner Boulevard, Burbank, California 91522, Attention: Legal Department, and the Estate of Dame Jean Conan Doyle ("Conan Doyle Estate"), whose address is c/o Hazelbaker & Lellenberg, Inc., 211 East Delaware Place, Suite 605, Chicago Illinois 60611, Attention: **Jon Lellenberg**, with respect to the following facts:

A. Warner wishes to produce, exhibit, and otherwise distribute an untitled theatrical-release motion picture including characters from the Sherlock Holmes stories and novels created by Sir Arthur Conan Doyle (hereinafter referred to as the "Picture").

B. The Conan Doyle Estate claims that it is the owner of the copyrights in and to the stories of Sir Arthur Conan Doyle which are still protected by copyright in the United States. Conan Doyle Estate also claims that it is the owner of the copyrights, trademark rights, and common law rights in and to the characters created by Sir Arthur Conan Doyle, including "Sherlock Holmes," "Dr. Watson," and others originally appearing in the Sherlock Holmes stories and novels including any rights of association or endorsement between such characters and Sir Arthur Conan Doyle. The foregoing rights and interests claimed by Conan Doyle Estate are sometimes referred to herein collectively as the "Rights".

C. Conan Doyle Estate contends, and Warner disputes, that the Picture will infringe upon the Rights claimed by Conan Doyle Estate and described in paragraph B above. The parties hereto desire to resolve their differences and therefore enter into this Agreement upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual promises, covenants, representations and agreements contained herein, the parties hereto agree as follows:

1. Consideration. Warner has stated its intention to produce, exhibit, and otherwise distribute the Picture in the United States as well as elsewhere throughout the world.

(a) Conan Doyle Estate hereby grants to Warner an irrevocable option to license the Rights to produce and exploit theatrical motion pictures for an initial option period ("Initial Period") commencing on the date hereof and continuing until 18 months after the date of receipt by Warner of this Agreement signed by Conan Doyle Estate ("Execution Date") as indicated below. The Initial Period may be extended by Warner for an additional period of 18 months ("Extension Period") by the payment to Conan Doyle Estate of the sum provided in (b)(ii) below at any time prior to expiration of the Initial Period. The Initial Period and the Extension Period are hereafter referred to collectively as the "Option Period".

(b) Option Payments: Warner shall pay to Conan Doyle Estate the following sums in consideration of the option herein granted:

SR# 1-161538133

DOCUMENT COVER SHEET

For Recordation of Documents
UNITED STATES COPYRIGHT OFFICE

DATE OF RECORDATION
(Assigned by Copyright Office)

DEC 17 2008

Month Day Year

Volume 3574 Page 180

Volume Page

DO NOT WRITE ABOVE THIS LINE.

16 pgs

REMITTANCE

FUNDS RECEIVED

To the Register of Copyrights:
Please record the accompanying original document or copy thereof.

1 NAME OF THE PARTY OR PARTIES TO THE DOCUMENT, AS THEY APPEAR IN THE DOCUMENT.

Party 1: The Estate of Dame Jean Conan Doyle
(assignor, grantor, etc.)
c/o Hazelbaker & Lellenberg, Inc.
(address)
211 East Delaware Place, Suite 605
Chicago, Illinois 60611

Party 2: Warner Bros. Pictures, a division of WB
(assignee, grantee, etc.)
Studio Enterprises Inc.
(address)
4000 Warner Boulevard
Burbank, California 91522

2 DESCRIPTION OF THE DOCUMENT:

Transfer of Copyright
 Security Interest
 Change of Name of Owner

Termination of Transfer(s) [Section 304]
 Shareware
 Life, Identity, Death Statement [Section 302]

Transfer of Mask Works
 Other Covenant Not To Sue & Release of All Claims

3 TITLE(S) OF WORK(S), REGISTRATION NUMBER(S), AUTHOR(S), AND OTHER INFORMATION TO IDENTIFY WORK.

Title: SHERLOCK HOLMES
DR. WATSON

Registration Number: _____
Author: _____

Additional sheet(s) attached?
 yes
 no
If so, how many? _____

4 Document is complete by its own terms.
 Document is not complete. Record "as is."

5 Number of titles in Document: 2

6 Amount of fee enclosed or authorized to be charged to a Deposit Account: \$120

7 Account number: DAO13544
Account name: Warner Bros. Entertainment Inc.

8 Date of execution and / or effective date of accompanying document: as of October 11, 2007
(month) (day) (year)

9 AFFIRMATION: * I hereby affirm to the Copyright Office that the information given on this form is true and correct representation of the accompanying document. This affirmation will not suffice as a certification of a photocopy signature on the document.

Cindy O'Neil
Signature (Cindy O'Neil)
Date: 12/12/2008

10 CERTIFICATION: * Complete this certification if a photocopy of the original signed document is submitted in lieu of a document bearing the actual signature.
I certify under penalty of perjury under the laws of the United States of America that the accompanying document is a true copy of the original document.
Cindy O'Neil - Director, Copyright Dept. Warner Bros. Entertainment Inc. *Cindy O'Neil*
Signature
Warner Bros. Pictures, a div. of WB Studio Enterprises Inc.
Duly Authorized Agent of:
Date: 12/12/2008

MAIL RECORDATION TO:

Name: Cindy O'Neil
Warner Bros. Entertainment Inc.
Number/Street/Apartment Number: 4000 Warner Blvd., Bldg. 156 North, Room 4620
City/State/ZIP: Burbank, CA 91522-1564

• Complete all necessary spaces
• Sign your cover sheet in space 9

1. Two copies of the Document Cover Sheet
2. Fee in check or money order payable to Register of Copyrights
3. Document

The Copyright Office has the authority to adjust fees at 5-year intervals, based on changes in the Consumer Price Index. The next adjustment is due in 1994. Please contact the Copyright Office after July 1994 to determine the actual fee schedule.

Documents Unit, Cataloging Division,
Copyright Office, Library of Congress
Washington, D.C. 20540