

GJ# 031426

## Howard Braunstein Films

## INVOICE

1631 21st Street  
 Santa Monica, CA 90404  
 Phone: 310.207.6600 x204  
 Fax: 323.345.5407

DATE: June 12, 2015  
 INVOICE # 60415  
 FOR: The Unauthorized Melrose Place  
 BILL TO: Kathey Leverton  
 A&E TELEVISION NETWORKS, LLC  
 2049 Century Park East, Ste. 840  
 Los Angeles, Ca 90067

DESCRIPTION	AMOUNT
International Rights Acquisition - due upon the later of invoice and receipt by AETN	\$ 30,000.00
CL / Prod: 121/15229 - \$50,000-	
Desc: 460/15229 - <50,000->	
Code: Inv# 60415 - Foreign License 2	
Approval: MA	
Acct: MA	
Exec/UPM	
Date	POSTED
Dr	ENTERED
Cr	6/16/15
Please wire payable to:	
Howard Braunstein Films, LTD	
1631 21st Street Santa Monica, CA 90404	
City National Bank	SUBTOTAL \$ 30,000.00
400 N. Roxbury Drive Beverly Hills, CA 90210	
Account Number: 123-407601	
Routing Number: 1220-16066	OTHER -
Swift Code: CINAUS6L	TOTAL \$ 30,000.00

A

As of June 10, 2015

VIA E-Mail

Packager Email: howard@jbfl.net

Howard Braunstein Films Ltd  
1631 21<sup>st</sup> Street  
Santa Monica CA 90404-3914

Re: A&E Television Networks, LLC – “The Unauthorized Melrose Place Story” --  
International Rights Acquisition

Dear Howard,

The following sets for the terms and conditions of the agreement between A&E Television Networks, LLC (“AETN”) on the one hand and, on the other hand, Howard Braunstein Films Ltd (“Packager”) in connection with the motion picture currently entitled “The Unauthorized Melrose Place Story” (“Picture”).

1. **DISTRIBUTION ADVANCE AND PAYMENT SCHEDULE:** A distribution advance in the amount of \$480,000, payable \$450,000 upon the later of invoice and final delivery to and acceptance by AETN of the international master, and \$30,000 upon the later of invoice and receipt by AETN of all delivery requirements as set forth in the Agreement and production packets (“Delivery Requirements”).

2. **RIGHTS GRANTED:**

- a. AETN shall have the exclusive right to distribute, market, advertise and otherwise exploit the Picture and all elements thereof throughout the Term, as defined below, in the AETN Territory, as defined below, in all languages and in all media, whether now known or hereafter devised, excluding only videograms [i.e. video tapes, video cassettes, digital video discs and similar video storage devices (including digital delivery through download to own) that enable audio visual recordings to be perceived both visually and aurally by means of a playback device intended for private, in-home and/or personal use only, and not for public performance or exhibition].
- b. AETN shall have the right to commence distribution of the Picture and to enter into licensing agreements immediately upon execution of this deal memo, provided that AETN shall not authorize the exhibition of the Picture in the AETN Territory until after the earlier of (i) the initial exhibition of the Picture by the U.S. licensee of the Picture and/or (ii) six months following final delivery of the Picture to the U.S. Licensee.
- c. Music Publishing and Administration: AETN shall own all original music publishing in the Picture in the AETN Territory and shall solely control all administrative rights in connection therewith throughout the AETN Territory (and AETN shall be entitled to enter into licenses for such music that exceed the Term, i.e. are perpetual licenses). Packager acknowledges that AETN must be consulted in connection with all third-party

licenses for music, including library music (but specifically excluding Extreme Production Music, with whom AETN has a blanket master & synchronization licensing agreement, and Scoreganics, AETN's production music library), prior to Packager's execution of any such license. Packager shall send such licenses to the Manager, Music Services, Stephen Saperstein [stephen.saperstein@aenetworks.com]. Access to the Extreme and Scoreganics libraries is free to Packager.

- d. AETN shall have a right of first negotiation and first refusal to acquire all rights in the Canadian Territory (excluding videogram rights) on the later of (i) two years after the initial telecast of the Picture by the U.S. licensee and (ii) after the expiration of the initial television license of the Picture in Canada, such rights to be negotiated as set forth in Exhibit A attached hereto and incorporated by this reference.
- e. Copyright in and to the Picture shall be retained by the Canadian producer of the Picture.
- 3. **AETN TERRITORY:** Worldwide, excluding Canada ("The Canadian Territory"), the U.S., and its territories and possessions (including the Virgin Islands, Puerto Rico, Bermuda, the Bahamas, Caribbean Islands and common carriers and military installations flying the foregoing and referred to collectively hereafter as the "U.S. Territory"), and which shall be referred to hereafter as the "International Territory." The Canadian Territory (excluding videogram rights) may be added to the AETN Territory pursuant to the provisions of Exhibit A attached hereto.
- 4. **TERM:** Twenty-Five (25) years commencing immediately following the initial exhibition of the Picture by the U.S. licensee of the Picture.
- 5. **CONTINGENT COMPENSATION:** Packager shall be entitled to <sup>003332</sup> ~~Forty~~ <sup>Thirty</sup> Percent (30%) of AETN's net profits derived from the exploitation of the Picture in the International Territory. In calculating net profits, AETN shall deduct from its gross license fees a forty percent (40%) distribution fee, its actual, direct, auditable out-of-pocket distribution costs and expenses (including, without limitation, residual and dubbing costs), the Acquisition Fee and marketing expenses (which marketing expenses shall be capped at Seventy-Five Thousand Dollars). AETN makes no warranty or representation that the Picture will generate any net profits or any particular amount of net profits. AETN shall have full and exclusive control of the distribution and other exploitation of the Picture in the AETN Territory and the Picture may be distributed or withheld or withdrawn from distribution as AETN may determine in its sole discretion with no obligation to consult with Packager. AETN shall account to Packager on no less than a semi-annual basis in connection with the contingent compensation payable hereunder for the first two years of the Term and on no less than an annual basis thereafter, provided, however, there shall be no obligation to account with respect to any accounting period for in which less than Fifty Dollars (\$50) in revenue share is payable after the first two (2) years of the Term unless requested by Packager in writing.

Packager may, at its own expense, upon reasonable advance written notice to AETN, audit AETN's books and records of account, relating to contingent compensation set forth herein, during normal business hours at the place that such books and records may be ordinarily kept provided, however, that only one (1) audit shall be performed on the books and records of account for any one (1) calendar year. Notwithstanding anything to the contrary contained in the foregoing, in the event that any audit by Packager results in confirmation of a discrepancy of payment to the detriment of Packager of over five percent (5%), AETN shall reimburse Packager for its reasonable, actual, direct,

auditable, out-of-pocket costs incurred in connection with such audit. All books and records and all data and information contained therein, except as required by law, shall be held in strictest confidence and shall not be disclosed to any other party other than Packager's principals, counsel and accountants provided that such accountants and counsel acknowledge in writing that they are bound by this confidence, and upon completion of such audit shall return all documents or copies thereof to the audited party. All books and records and all data and information contained therein shall be used solely for the purpose of reporting to Packager the amounts of any alleged errors in payment of Packager's contingent compensation hereunder. Packager shall have two (2) years from the date of AETN's submission of a statement to file a written objection to that statement. If AETN notifies Packager in writing that it denies the validity of the objection, Packager shall have one (1) year from the date of such denial to file suit. Any statement not audited and/or objected to within two (2) years of submission shall be deemed conclusive and not subject to further contest with respect to the matters therein. Notwithstanding anything to the contrary contained in the foregoing, there shall be no obligation to account with respect to any accounting period in which less than Fifty Dollars (\$50) in revenue share is payable after the first two (2) years of the term unless requested by Packager in writing.

6. **STANDARDS AND PRACTICES AND TECHNICAL QUALITY/DELIVERY REQUIREMENTS:** Delivery of the Picture shall be subject to AETN's standards and practices, technical quality and delivery requirements, which shall be provided to Packager under separate cover.
7. **CLEARANCES:** Packager shall obtain all of the rights, permissions and licenses necessary to enable AETN to exploit the rights granted into it pursuant to this agreement with no third party payments other than in connection with minimum scale residuals described below and customary payments to mechanical performing collection and author's rights societies (including music performing royalties).
8. **CREDIT:** AETN shall be entitled to an animated logo credit on a separate card in the end titles of the Picture, which may be in the form of "released by" or "distributed by" AETN-International, with the final form to be determined by AETN in its sole discretion. All credits shall be subject to CAVCO requirements.
9. **CANADIAN CERTIFICATION:** The Parties intend that the Picture shall be produced by a Canadian producer so as to qualify as a "Canadian Film or Video Production" as administered by CAVCO tax credits and any other applicable tax credit programs as administered by British Columbia. AETN shall not require the Canadian producer or Packager to commit any act which the Canadian producer or Packager reasonably believes will jeopardize the eligibility of the Picture as a "Canadian Film or Video Production" and for the British Columbia Incentive and the resulting tax credits therefrom, provided that Packager advises AETN of such possible result in a timely fashion.
10. **RESIDUAL OBLIGATION AND ADMINISTRATION:** AETN shall sign distribution assumption agreements (in a form approved by AETN and consistent with forms previously accepted by the guilds from AETN) and shall pay and administer minimum scale residuals required to be paid pursuant to any applicable SAG, AFTRA, UBCP, DGC, DGA, WGA, AFM and/or AFTRA collective bargaining agreement from its exploitation of the Picture pursuant to the terms of this Agreement.

11. **SECURITY INTEREST:** Subject solely to the priority security interests of the financial institution(s) that will interim finance the Picture, and, if approved by AETN, to those of applicable guilds, Packager grants AETN a security interest in the Picture in and to the following collateral: (i) the AETN rights in the Picture; (ii) the proceeds earned from the exploitation of the rights granted AETN hereunder; (iii) the preprint film and master video elements of the Picture; and (iii) all other elements required by AETN in connection with the delivery of the Picture.
12. **STANDARD TERMS:** It is contemplated that the parties will enter into a more formal agreement concerning the Picture. However, until such a more formal agreement is executed, this letter agreement embodies their entire understanding concerning the subject matter hereof, and supersedes any prior agreement, whether oral or written, and AETN's standard terms and conditions for agreements of this type, including without limitation security interest, publicity, insurance, indemnification, representations and warranties, notices, assignment, governing law, music rights, editing and dubbing, advertising and promotion, breach and force majeure, are deemed incorporated herein. In the event of and only to the extent of any direct conflict between the terms of this agreement and the applicable provisions of the standard terms, the terms of this agreement will govern, solely to the extent necessary to resolve the conflict.

A&E TELEVISION NETWORKS, LLC

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BY: \_\_\_\_\_

ITS: \_\_\_\_\_

HOWARD BRAUNSTEIN FILMS LTD

BY:  \_\_\_\_\_

ITS: \_\_\_\_\_

"EXHIBIT A"

First Negotiation/First Refusal Canadian Territory

(i) Upon the expiration of the initial television license of the Picture in the Canadian Territory ("Initial Canadian Term"), but in any event not sooner than two years following the initial telecast of the Picture in the U.S. Territory, AETN shall have an exclusive right of first negotiation and first refusal to acquire the rights to distribute, market and otherwise exploit the Picture and all elements thereof in all media (other than in connection with "videograms") in the Canadian Territory. Immediately following the expiration of the Initial Canadian Term, and prior to negotiating with or entering into an agreement with a third party with respect to rights in the Picture in the Canadian Territory, and upon AETN's receipt of Packager's written notification to AETN to start negotiations, AETN and Packager shall negotiate exclusively and in good faith for a period of thirty (30) business days ("Negotiation Period"). For the avoidance of doubt, prior to and during the Negotiating Period, Packager shall not engage in discussions with any third party with respect to rights in the Canadian Territory in the Picture.

(ii) If during the Negotiation Period AETN and Packager do not reach an agreement following such good faith negotiations in the Picture and upon written notice to AETN of its intention to solicit any such third party, Packager shall have the right to negotiate concerning the Canadian Territory rights with third parties, subject to the conditions set forth in paragraph (iii) below.

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(iii) Prior to the end of the Negotiation Period, Packager shall present to AETN, in writing, its last offer of the least favorable monetary terms to Packager under which Packager would be willing to conclude an agreement with AETN ("Last Offer"). The Last Offer shall: (a) contain only terms which are readily reducible to a determinable sum of money and shall not require AETN to negotiate any terms and/or conditions unrelated to the monetary terms and condition of the Picture; (b) not require AETN to acquire any rights unrelated to the Picture; and (c) contain only terms or conditions which may be as easily met by one person as another.

(iv) Thereafter, Packager shall not enter into any agreement with a third party respecting the Picture in the Canadian Territory on terms less favorable to Packager than Packager's Last Offer, without first offering, in writing, to enter into an agreement with AETN on the same terms which Packager and such third party are both willing to accept ("Final Offer"). AETN shall have ten (10) business days after AETN's receipt of such Final Offer in which to accept such Final Offer. The Final Offer may only include provisions that relate solely to the rights set forth herein and that are easily reducible to a determinable sum of money. If AETN fails to accept those terms within that period, Packager shall then be free to contract on those terms with the third party, provided Packager shall not enter into any agreement with any third party on less favorable terms than the Final Offer without again affording AETN a right of refusal as set forth above.