

Alan Elliott
1633 N. Stanley Avenue
Los Angeles, CA 90046

Dated as of: April 20, 2011

Sundial Pictures LLC
511 Sixth Avenue #375
New York, NY 10011

Re: "Amazing Grace" Sundial Finance Agreement

Ladies and Gentlemen:

This letter shall set forth the basic terms of agreement (the "Agreement") between **Al's Records and Tapes** and **Alan Elliott**, (collectively, "Company"), on the one hand, and **Sundial Pictures LLC** ("Sundial"), a California Corporation, on the other hand, regarding a feature length documentary currently entitled "**Amazing Grace**" ("Documentary").

1. Documentary: It is anticipated that the Documentary will have the following:
 - A. The Documentary will be a feature length documentary film which explores the recording of Aretha Franklin's "Amazing Grace" and shall be approximately ninety (90) through one-hundred and twenty (120) minutes in length;
 - B. The current estimated total budget for the Documentary is \$785,734 attached hereto as Exhibit A;
 - C. Alan Elliott shall serve as lead producer of the Documentary; and
 - D. Sydney Pollack shall be credited as director.
 - E. Upon completion of Phase I (as defined below), Company intends to create a single sole purpose limited liability company to exploit the Documentary ("LLC"). Sundial's debt financing position shall be on a most favored nations with all other equity investors. All such rights and obligations of Company defined herein shall be transferred to the LLC.
2. Financing:
 - A. Sundial shall pay \$75,000 USD to Company to be used in connection with the Phase I Deliverables of the Documentary ("Investment") as defined in Paragraph three (3) below, to be payable as follows:
 - i. \$50,000 USD upon execution of this Agreement; and
 - ii. \$25,000 USD on the date that is two (2) months from execution of this Agreement.

- B. If the rights to the Documentary revert to Warner Bros. Pictures ("Warner") per the terms of the quitclaim agreement dated as of December 11, 2007, as amended, ("Quitclaim Agreement") and Warner exercises its right to buy-out new production elements per the terms of paragraph 7 of the Quitclaim Agreement, then Sundial shall be in first position to recoup its Investment from any monies Company receives by Warner. The Quitclaim Agreement, as amended, is attached hereto as Exhibit B and incorporated herein by this reference.
- C. In the event that Company requires additional funds in connection with the development of actual production of the Documentary, the parties hereto acknowledge and agree that Sundial shall have a right of first opportunity to provide additional funds required by Company on the terms set forth herein. If Sundial declines to provide additional funding, and Company secures funding from other financiers ("Additional Financiers"), any Additional Financiers' debt financing shall be in no better position than Sundial, without its written authorization.
3. Phase I: Phase I shall consist of development of the Documentary, including but not limited to the digitization of footage from the concert performance by Aretha Franklin at the New Temple Missionary Church of Los Angeles in January of 1972. Phase I deliverables shall consist of (i) a detailed draft production budget for the Documentary; (ii) a synopsis; (iii) a "development tape" of no less than 2 minutes in duration, indicating the potential 'look and feel' of the Documentary, with additional documentation describing potential interviewees and locations; and (iv) a fair-use and legal analysis prepared by Producer's outside intellectual property counsel with respect to any copyrighted material that Producer is intending to include in the Project (the "Phase I Deliverables"). Phase I deliverables shall be completed no later than March 31, 2011.
4. Credit: If the Documentary is produced, and subject to each distributor's customary exceptions and exclusions (including, without limitation, its artwork exceptions), Company shall accord the undersigned the following credit in connection with the Documentary:
- A. Two Individual Executive Producer Credits, on a shared card, in the main titles of the Documentary (or in the end titles, provided all other executive producer credits appear in the end titles), in a position to be determined at the sole discretion of Company, in a size, type, duration, prominence and font no less favorable than that accorded to any other "executive producer" credit for the Documentary. Sundial shall also be accorded "executive producer" credits in the billing block of all artwork and paid ads for the Documentary whenever any other "executive producer" credit appears, in the same form and position as the on screen credit "executive producer" credits accorded hereunder, subject to Company, distributor and/or broadcaster of the Documentary standard exclusions and exceptions, All other aspects of the Sundial's executive producer credits herein shall be within the sole control and discretion of Company.

B. In Association With Credit, in the main titles of the Documentary, in a size, type, duration, prominence and font no less favorable than that accorded to any other "in association with" credit for the Documentary. Sundial shall also be accorded an "in association with" credit in the billing block of all artwork and paid ads for the Documentary whenever any other "in association with" credit appears, in the same form and position as Sundial's on screen "in association with" credit, subject to Company, distributor and/or broadcaster of the Documentary standard exclusions and exceptions. All other aspects of Sundial's "in association with" credit herein shall be within the sole control and discretion of Company.

C. Subject to distributor requirements, Sundial shall be accorded a "Logo Credit" for Sundial Pictures LLC in the main titles of the Documentary, in a size, type, duration, prominence and font no less favorable than that accorded to any other logo credit for the Documentary. Sundial shall also be accorded a "Logo Credit" in the billing block of all artwork and paid ads for the Documentary whenever any other company logo credit appears, subject to Company, distributor and/or broadcaster of the Documentary standard exclusions and exceptions. All other aspects of the Sundial's "Logo Credit" herein shall be within the sole control and discretion of Company.

5. Ownership and Control: Until such rights are transferred to the LLC, the Documentary shall be owned (including copyright) by Company, and Company shall have complete approval and control regarding all aspects of the Documentary. All of the results and proceeds of any services rendered by any person and/or entity in connection with the Documentary shall be deemed works-made-for-hire, specially commissioned by Company for use in a motion picture under United States copyright law and analogous laws of other countries.

6. Sales Agent and Distributor: Sundial acknowledges that Company has the right, but not the obligation, exercisable in its sole discretion, to appoint one or more sales agents and/or distributors to assist Company in selling, licensing and/or otherwise exploiting the Documentary. It is hereby acknowledged and confirmed that Kevin Iwashina shall be the domestic sales agent for the Documentary.

Disposition of Proceeds: , Any and all revenues actually received by or credited to the account of Company, its parents, subsidiaries or affiliates, or any entity on its behalf, from the worldwide exploitation of the Documentary, from any and all sources in any and all media ("Gross Receipts"), shall be disposed of as follows in the following order:

- A. First, a reasonable amount of the Company's income shall be used for operating, production expenses, including salaries, and agent and distributor fees;
- B. Then, Sundial shall recoup a premium on his/her capital contribution (of no less than 110% but in any case on a most favored nations basis with all other equity investors) on a pro rata and most favored nations basis as any other investor;
- C. Then, the Company shall satisfy any outstanding obligations of the Company in connection with the Documentary, including deferred payments incurred in connection with the Documentary;

- D. Next: 50% shall be paid out to investors, including Sundial, on a pro rata basis determined by the amount of each investor's contribution;
- E. Simultaneously, 50% shall be paid out to creative participants pursuant to such participants' engagement agreements.

7. Company's Representations & Warranties: Company hereby represents and warrants that: (i) Company owns and/or controls, or will own and control, without restriction, all rights in and to the Documentary, including all copyrights therein, and in and to all literary, dramatic and musical material contained in the Documentary and has or shall obtain all necessary licenses in connection therewith; (ii) it has the right to enter into and fully perform this Agreement and grant all of the rights herein granted to Sundial; (iii) there are not and shall not be any known outstanding claims, liens, encumbrances, or rights or interests of any nature in the Documentary or any part thereof, or in any of the literary, cinematic or musical material contained therein or upon which the Documentary is or is to be based, which can or will materially impair or interfere with any of the rights herein granted to Sundial; (iv) to the best of Company's knowledge, neither the Documentary nor any part thereof will infringe upon or violate the rights of any other party; (v) Company will comply with all laws, statutes, ordinances, rules and regulations of each governmental entity having jurisdiction over Company and/or the production of the Documentary; (vi) it shall cause the Documentary to be validly and timely registered in the US Copyright Office; (vii) to the best of Company's knowledge, there is no action, suit, or proceeding pending or threatened against Company or the Documentary, before any court or administrative or governmental body; and (viii) Company agrees to use reasonable good faith efforts to produce the Documentary, as set forth herein. In addition, Company has made available to Sundial all information, including financial information and other information, which is material to Sundial in connection with the loan and/or investment, including but not limited to the Quitclaim Agreement, dated December 11, 2007 between Warner Bros. Pictures and Al's Records and Tapes, a Quitclaim Amendment dated November 2, 2010 between Warner Bros. Pictures and Al's Records and Tapes, and Company's E&O certificate for the Documentary. Sundial has been afforded the opportunity to obtain such information and review the risks therein. Sundial has had access to the business and financial experience of Sundial's professional advisors who are unaffiliated with Company. Sundial has the capacity to protect its own interests in connection with its investment and Sundial acknowledges and agrees that the investment is made in exchange for fair and equivalent consideration.
8. Sundial's Representations and Warranties: Sundial acknowledges that, other than as expressly set forth above, Company has made no representations or warranties to Sundial regarding the investment, including without limitation, whether such investment is advisable or potentially profitable. In addition, Sundial acknowledges that an investment in a motion picture is a risky investment and that there is no guarantee or promise that there will be sufficient proceeds derived from the Documentary to repay the loan and/or investment and/or to pay the Premium and/or net proceeds to Sundial. Sundial has entered into this Agreement based on its own knowledge, investigation and analysis and that of Sundial's advisors and Sundial is satisfied that this Sundial Agreement adequately protects its interest, Company has not made any representation to Sundial about the

advisability of the decision to invest in the Documentary or the possibility of a return on the investment, Sundial has reviewed with its own tax and other advisors the federal, state and local tax consequences of the transactions contemplated by this Agreement, and Sundial is relying solely on such advisors and not on any statements or representations of Company or any of their respective agents. Sundial understands that it shall be responsible for its own tax liability that may arise as a result of the transactions contemplated by this Agreement.

Sundial further acknowledges and agrees that: (i) Sundial is able to bear the economic risks of the investment (including possible complete loss of such investment) for an indefinite period of time; (ii) Sundial has a pre-existing personal or business relationship with Company or one or more of its officers, or by reason of Sundial's business or financial experience, or by reason of the business or financial experience of Sundial's financial advisor(s) who is unaffiliated with and who is not compensated, directly or indirectly, by Company, Sundial is capable of evaluating the risks and merits of an investment in Company and of protecting Sundial's own interests in connection with this investment; (iii) Sundial has not seen, received, been presented with, or been solicited by any leaflet, public promotional meeting, article or any other form of advertising or general solicitation with respect to the investment; (iv) Sundial is entering this Agreement for Sundial's own account, for investment, and not with a view to or for the resale, distribution, subdivision or fractionalization thereof, and no other person will have any direct or indirect beneficial interest in or right to the investment; (v) Sundial has no contract, undertaking, understanding, agreement or arrangement, formal or informal, with any person to sell, transfer, or pledge all or any portion of the investment, and Sundial has no current plans to enter into any such contract, undertaking, understanding, agreement or arrangement; and (vi) Sundial has not made any agreement or taken any other action which might cause any third party to become entitled to a broker's fee or commission in connection with the transactions contemplated by this Agreement.

9. Indemnification: Company shall indemnify, defend, and hold Sundial, his successors, assigns, and representatives harmless from and against any liability, claim, cost, damage or expense (including, without limitation, reasonable attorney's fees, disbursements and court costs regardless of whether litigation is commenced) (collectively "Claims") arising out of, or in connection with, the development, production, advertising, distribution or other exploitation of the Documentary or any breach by Company of its representations, warranties or material agreements hereunder or arising out of any tortious or criminal conduct of Company.
10. Further Documents: Company and Sundial agree promptly to execute such further reasonable documents and instruments and perform such other acts or deeds consistent herewith as the other party hereto may reasonably request in order to effectuate the terms and intentions of this Agreement.
11. Limitation of Remedies: In the event of any breach or alleged breach of this Agreement by Company, Sundial's remedy shall be limited solely to an action at law to recover money damages. In no event shall Sundial have the right, and Sundial hereby expressly waives its right, to seek to enjoin, restrain or otherwise interfere with the production, distribution, advertising, marketing or other exploitation of the Documentary.

12. Miscellaneous:

- A. Collections Account Manger: In the event that Company establishes a collections account through a third party collections agency (i.e. Vintage House), undersigned shall have the option to be a party to such agreement.
- B. Effect of Withdrawal: In the event Allan Elliott withdraws from or is unable to perform its obligations under this Agreement, Sundial shall have approval rights over Allan Elliott's replacement.
- C. Sale: Sundial shall have a right of meaningful consultation, with Company's decisions final and controlling, as to the sale, if any, of the Documentary.
- D. Creative Control: Sundial shall have a right of meaningful consultation, with Company's decisions final and controlling, as to all creative aspects of the Documentary, with Company's decisions final and controlling.
- E. Errors and Omission Insurance: The undersigned shall be added as an additional insured to Company's Errors and Omission policy, to be provided no later than April 30, 2011.
- F. Premiere & Festivals: Sundial and three (3) guests shall be invited to attend all major U.S. celebrity premieres of the Documentary and festivals.
- G. Copies of the Documentary: Company agrees to furnish to Company, when commercially available, six (6) DVD copies of the Documentary.
- H. Notices. Any notice pertaining hereto shall be in writing. Electronic mail (e-mail) is not acceptable. Any such notice and any payment due hereunder shall be served by delivering said notice or payment personally or by sending it by mail, cable, or telex (postage or applicable fee prepaid) or telefax addressed as follows (or as subsequently designated in writing) and shall be deemed delivered three (3) days after mailing:

To Sundial:

Sundial Pictures LLC
511 Sixth Avenue #375
New York, NY 10011

With a copy to:
Law Offices of Elsa Ramo
Attn: Elsa Ramo, Esq.
315 S. Beverly Drive, Ste. 508
Beverly Hills, CA 90212

To Company

Alan Elliott
1633 N. Stanley Avenue
Los Angeles, CA 90046

With a copy to:
Donaldson & Callif
c/o 400 South Beverly Drive, Ste 400
Beverly Hills, CA 90212

Kindly indicate your agreement to the above by signing in the space provided below.

Cordially,

Alan Elliott and Al's Records and Tapes

By: Alan Elliott

ACCEPTED & AGREED:

Sundial Pictures LLC

By: 
Stefan Nowicki