

580 BROADWAY SUITE 1200  
NEW YORK NY 10012

Effective as of December 6, 2018 (the “**Effective Date**”)

Amazing Grace Movie, LLC  
1633 North Stanley Avenue  
Los Angeles, CA 90046  
Attention: Alan Elliott

**Re: “AMAZING GRACE”**

Ladies & Gentlemen:

The following sets forth the terms of the agreement (the “**Agreement**”) reached between NEON Rated, LLC (“**NEON**”), a Delaware limited liability company, on the one hand, and Amazing Grace Movie, LLC, a California limited liability company (“**Licensor**”), on the other hand, in connection with the feature length motion picture entitled “AMAZING GRACE” (the “**Picture**”). For good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree as follows:

**1. Rights:**

- a. Licensor hereby irrevocably and exclusively grants, licenses and assigns to NEON all distribution and exploitation rights of every kind, and applicable ancillary rights related to such distribution and exploitation rights, including without limitation, those under copyright, in and related to the Picture, in the Territory (as defined below) and during the Term (as defined below), in all languages, and in all media, whether now known or hereafter devised, including, without limitation (but subject only to the terms of Section 1(b) below): theatrical rights; non-theatrical rights; television rights (all forms, including, without limitation, free, pay, cable, terrestrial, and satellite); pay-per-view rights; video-on-demand rights; subscription video-on-demand rights; free and/or advertising supported video-on-demand rights; electronic rental rights; electronic sell-through rights; download to own rights; all other forms of electronic delivery rights (including, without limitation, internet and online transmission by any and all means, method, process or device now known or hereafter devised); home video rights (all forms, including, without limitation, videocassettes, DVD, HD-DVD, Blu-Ray, and all other types of videograms and/or other analogous home video technology, whether now known or hereafter devised); hotel rights; airline rights; ship rights; clip rights; and all other distribution rights in and to the Picture (collectively, the “**Rights**”). The Rights also include, without limitation, the right to use, produce and exploit any special feature material (e.g., DVD special features and extras) in connection with the exploitation of the Picture. NEON acknowledges and agrees that the Rights as granted hereunder are

subject to those limitations and/or restrictions expressly set forth in that certain agreement made as of March 21, 2019 and by and between Alan Elliott, Al's Records & Tapes, and Licensor, on the one hand, and the Estate of Aretha Franklin (the "**Franklin Estate**"), on the other, and its exploitation of the clip rights are further subject to music publishing licenses for applicable compositions.

- b. Reserved Rights. Notwithstanding the foregoing, Licensor hereby reserves, as between NEON and Licensor, all rights of every kind and nature not expressly and specifically included in the Rights or otherwise granted herein (collectively, the "**Reserved Rights**"). For clarity, the Reserved Rights include, but are not limited to, all rights of every kind and nature in and to film footage and sound filmed and recorded in the 1972 concerts / recording sessions at which the film footage and sound included in the Picture were filmed and recorded that are not delivered or provided to NEON hereunder, whether as part of the Picture, bonus materials or otherwise (collectively, "**Outtakes**"), it being understood that Licensor's Reserved Rights with respect to Outtakes are further subject to Section 1(f) below; soundtrack rights; merchandising rights; video game rights; publishing rights (including, without limitation, "making of", screenplay, novelization and comic book rights) in all formats including but not limited to print, e-books and audio books; music publishing rights; interactive production rights; stage production rights; and sequel, prequel, television spin off, remake and any other derivative rights in and to the Picture. Additionally, NEON acknowledges and agrees that none of the following theatrical exhibitions constitute a violation of the grant of Rights or otherwise a breach of this Agreement: (i) those certain film festival and market exhibitions which occurred within the Territory and prior to December 6, 2018 (including the 2018 Doc NYC Festival and 2018 AFI Los Angeles Festival); (ii) the awards-qualifying exhibitions of the Picture which, the parties acknowledge, took place on November 23-30, 2018 at the Laemmle Theater in Pasadena, California, on November 23-30, 2018 at the Laemmle Theater in Santa Monica, California, and December 7-13, 2018 at the Film Forum in New York, New York (collectively, the "**Awards Run**"). Other than the festival and theatrical exhibitions and the Awards Run noted in the immediately preceding sentence, Licensor represents and warrants that it has not exploited and shall not exploit any of the Rights in the Territory during the Term, and reaffirms that such Rights are licensed exclusively to NEON hereunder. Licensor is and will be solely responsible for all costs and expenses in connection with the Awards Run, and entitled to all proceeds from the Awards Run.
- c. Promotional Rights. Licensor acknowledges and agrees that the Rights include the right to advertise and promote the Picture worldwide in any manner or media, now known or hereafter devised, it being understood and agreed that such advertising and promotion will targeted to consumers in the Territory, including, without limitation, the right to use and license others to use Licensor's name, the title of, trailers and other materials created for the Picture, and excerpts from the Picture, and the name, voice, photographs, and likeness of and any biographical material concerning all persons appearing in or connected with the Picture (subject to approval of the Franklin Estate with respect to personally identifying material of Aretha Franklin and subject to other applicable restrictions and/or approvals that are timely provided to NEON as part of Licensor's Delivery obligations hereunder) but only for the purpose of advertising,

promoting, and/or publicizing the Picture, NEON, its licensee(s), and/or the program(s) and/or service(s) on which the Picture is exhibited.

- d. Names and Likenesses. Subject to approval of the Franklin Estate with respect to personally identifying material of Aretha Franklin and subject to other applicable restrictions and/or approvals that are timely provided to NEON in writing as part of Licensor's Delivery obligations hereunder, Licensor hereby grants to NEON the right to use the names, photographs, likenesses, and voices of any and all persons appearing in and/or related to the Picture in connection with the exhibition, distribution, marketing, advertising, promotion, and/or all other exploitation of the Picture as provided herein.
- e. Music and Lyrics. Subject to applicable restrictions and/or approvals that are timely provided to NEON in writing as part of Licensor's Delivery obligations hereunder, Licensor hereby grants to NEON the right to use, perform, and exploit all music, lyrics and/or musical performances synchronized and included in the Picture, any pre-existing music licensed for use in the Picture, and the master recordings thereof (or portions thereof), solely for exploitation of the Picture in all licensed media (including without limitation, home video and internet distribution) and in all forms of in-context and out-of-context trailers, DVD menus, featurettes, advertising, and promotions for the Picture (NEON acknowledges and agrees that Licensor has secured out-of-context promotional rights solely for the cue "How I Got Over" by Clara Ward), as well as the right, subject to approval of the Franklin Estate with respect to personally identifying material of Aretha Franklin, to use the names, voices, and approved likenesses of the performing artists of the music for purposes of promotion of the Picture.
- f. Outtakes. Licensor represents and warrants that no Outtakes are currently in technically usable condition, and that the Franklin Estate, whose approval is required in each instance to exploit the Outtakes, has not approved any of the Outtakes for use. If, at any point during the Term, Licensor wishes to technically prepare the Outtakes for exploitation of any kind, it will promptly notify NEON in writing, and NEON will have a ten (10) day right of first negotiation to participate in the preparation of such Outtakes (whether by providing such services itself and/or by otherwise assisting Licensor with the efforts and/or costs in connection therewith). If NEON does not wish to negotiate, or if after the negotiation period there is no agreement between the parties, then at Licensor's written request, Licensor and NEON will negotiate in good faith terms by which Licensor may exploit the Outtakes; provided, that unless the parties reach a mutual agreement on such terms, the Outtakes will in no event be exploited in the Territory during the Term. For clarity, Licensor shall not exercise its rights in or otherwise exploit any Outtakes in the Territory during the Term without NEON's prior written approval in each instance.
- g. Live Performances. If Licensor secures a bona fide opportunity to produce a live performance of music from the Picture (each a "**Live Performance**") and wishes to incorporate an exhibition of the Picture and/or clips therefrom into such Live Performance, in each instance Licensor will present NEON with a written summary of such Live Performance opportunity (including, without limitation, venue, participating

musician(s) (both confirmed and solicited), date, and a general run of show), and NEON will consider in good faith Licensor's request for NEON to exhibit the Picture and/or clips therefrom as part of the Live Performance. For clarity, NEON will not have any obligation to exhibit or otherwise make the Picture or clips therefrom available for any particular Live Performance unless NEON agrees to do so in writing and on terms acceptable to NEON (including, without limitation, applicable license and/or rental fees in connection with such exhibition), and NEON has the right to consider each Live Performance opportunity on a case by case basis.

**2. Territory:**

- a. The "**Territory**" consists of the United States (including without limitation, Puerto Rico, the U.S. Virgin Islands, and Guam), Canada and the Caribbean Basin (to mean and include Anguilla, Antigua & Barbuda, Aruba, the Bahamas, Barbados, Bermuda, Bonaire, British Virgin Islands, Cayman Islands, Curacao, Dominica, Dominican Republic, Grenada, Haiti, Jamaica, Montserrat, Saba, St. Eustatius, St. Kitts & Nevis, St. Lucia, St. Vincent & Grenadines, Trinidad & Tobago, and Turks & Caicos) and all of their respective territories, possessions, and wherever located, all installations including, without limitation, military bases, diplomatic posts, and oil rigs, and all airlines flying the flags of such countries, and ships at sea with principal offices located in or flying the flags of such countries.
- b. Licensor acknowledges that where the Picture is distributed for reception inside the Territory such broadcasts may be capable of reception outside the Territory due to the inherent capability of certain distribution technologies that are not confined to territorial boundaries ("**External Overspill**"). NEON will use commercially reasonable efforts to use and to cause its licensees and sub-distributors to use then-industry standard technologies to limit External Overspill. Licensor agrees that the occurrence of External Overspill will not constitute a breach of this Agreement if such transmissions are intended for primary reception inside the Territory.

- 3. Term:** The term will commence as of the Effective Date and continue for fifteen (15) years from the earlier of NEON's receipt and approval of all delivery materials and NEON's initial commercial release of the Picture (acknowledged to be April 5, 2019), plus an additional five (5) years if at such time NEON is still unrecovered (the "**Term**"). NEON may not distribute or exhibit the Picture or otherwise exercise the Rights after the Term or authorize same, except for customary limited sell-off periods for physical videograms of the Picture. At any time prior to the date six (6) months before the end of the Term, NEON, at NEON's or Licensor's request, will have a customary one time thirty (30) day right of first negotiation to license any of the Rights in or to the Picture in the Territory after the Term.

**4. Consideration:**

- a. *Advance:* In consideration of the Rights and all other rights granted herein, NEON will pay to Licensor an advance in the amount of One Million Five Hundred Thousand U.S. Dollars (US\$1,500,000) (the "**Advance**"), payable as follows:

- i. fifteen percent (15%) (i.e., Two Hundred Twenty-Five Thousand U.S. Dollars (US\$225,000) within thirty (30) days following the later of (A) full execution of this Agreement, (B) delivery to and acceptance by NEON of the complete chain of title for the Picture, and (C) delivery to and acceptance by NEON of the full producer's errors and omissions insurance policy secured and maintained by Licensor for the Picture which complies with the specifications herein (including, without limitation, all supporting documentation, such as attorney's opinion letters required to ensure coverage against claims in connection with fair use and other elements of the Picture);
- ii. forty percent (40%) (i.e., Six Hundred Thousand U.S. Dollars (US\$600,000) within thirty (30) days following Licensor's completion of Essential Delivery (as defined and more fully set forth herein);
- iii. thirty-five percent (35%) (i.e., Five Hundred Twenty-Five Thousand U.S. Dollars (US\$525,000) within thirty (30) days following the earlier of (A) the date of NEON's initial commercial release of the Picture and (B) sixty (60) days following Licensor's completion of Essential Delivery (as defined and more fully set forth herein); and
- iv. ten percent (10%) (i.e., One Hundred Fifty Thousand U.S. Dollars (US\$150,000) within thirty (30) days following Licensor's completion of Complete Delivery (as defined and more fully set forth herein).

**ON A NON-PRECEDENTIAL, NON-QUOTABLE BASIS**, NEON has no obligation to make any payment as set forth in this Section 4(a), and Licensor waives any and all claims of default with respect to any payment obligation set forth in this Section 4(a), unless and until this Agreement has been fully executed and the applicable criteria for each applicable payment have been satisfied.

- b. *Box Office Bonuses*: Provided that Licensor is not then in material breach of this Agreement of such a nature as to interfere with NEON's ability to distribute the Picture, NEON will pay to Licensor the following one-time box office bonus(es), based on the Picture's U.S. box office receipts, as reported by Rentrak (the "**Box Office Bonus(es)**"):
  - i. Five Hundred Thousand U.S. Dollars (US\$500,000) at such point, if ever, that the USBO reaches Five Million U.S. Dollars (US\$5,000,000);
  - ii. Five Hundred Thousand U.S. Dollars (US\$500,000) at such point, if ever, that the USBO reaches Ten Million U.S. Dollars (US\$10,000,000);
  - iii. Five Hundred Thousand U.S. Dollars (US\$500,000) at such point, if ever, that the USBO reaches Fifteen Million U.S. Dollars (US\$15,000,000); and

- iv. Five Hundred Thousand U.S. Dollars (US\$500,000) at such point, if ever, that the USBO reaches Twenty Million U.S. Dollars (US\$20,000,000).

The Box Office Bonus(es), if any, will become payable to Licensor sixty (60) days after the applicable threshold is met, and will be recoupable by NEON, with Interest, in the same position as the Advance (as defined below).

- c. *Award Bonuses*: Provided that Licensor is not then in material breach of this Agreement in such a nature as to interfere with NEON's ability to distribute the Picture, NEON will pay to Licensor the following one-time award bonus(es) (the "**Award Bonus(es)**") as follows:
  - i. Fifty Thousand U.S. Dollars (US\$50,000) if the Picture is nominated for a 2019 Academy Award for Best Documentary; and
  - ii. One Hundred Thousand U.S. Dollars (US\$100,000) if the Picture wins the 2019 Academy Award for Best Documentary.

The Award Bonus(es), if any, will become payable to Licensor sixty (60) days after the applicable threshold is met, and will be recoupable by NEON from Licensor's share of Net Receipts (as defined below).

## 5. Distribution Fee and Application of Gross Receipts:

- a. "**Gross Receipts**" means all nonrefundable sums actually received by or credited to NEON from all sources derived from the exploitation of the Rights in the Territory in any manner, net of all applicable taxes, if any. For the avoidance of doubt, whenever any of the Rights are licensed to a sub-distributor, sub-licensee or sales agent, Gross Receipts means the monies remitted or credited to NEON by such sub-distributor, sub-licensee or sales agent. To the extent any sub-distributor, sub-licensee and/or sales agent is an affiliated or related entity, the terms of their engagement and/or license will be consistent with commercially reasonable rates derived from "arms-length" negotiation and will be deemed third-party transactions with only those nonrefundable sums actually received by or credited to NEON deemed to be Gross Receipts; it being understood that NEON's use of third parties to perform such services will be on a good faith and non-discriminatory basis.
- b. "**Distribution Expenses**" means all third party, out-of-pocket and verifiable costs and expenses incurred or caused to be incurred and subsequently paid by NEON (or paid by a third-party but reimbursed to such third party by NEON) in connection with the exercise of NEON's rights of distribution, exhibition, advertising, exploitation and turning to account of the Picture (including deduction of all reasonable, out-of-pocket, third party costs and expenses incurred and subsequently paid in the collection of Gross Receipts) or otherwise in the exercise by or for NEON of any of the Rights and such other expenses as are then customarily treated as distribution expenses in the motion picture industry. Any amounts paid to affiliated or related entities will be consistent with

commercially reasonable rates derived from “arms-length” negotiation and will be deemed third-party transactions and Distribution Expenses; it being understood that NEON’s use of third parties to perform distribution services will be on a good faith and non-discriminatory basis.

- c. **“Interest”** means interest at the prevailing prime rate from time to time in effect as reported in *The Wall Street Journal*. For clarity, whenever any amount is to be recouped with Interest, payments in respect of recoupment will be applied first to Interest and then to the principal portion of such amount.
- d. Gross Receipts will be applied on a continuous and rolling basis as follows:
  - i. First, to NEON in the amount of a twenty-five percent (25%) “Distribution Fee” (as defined and more fully described below);
  - ii. Second, to the recoupment by NEON of all Distribution Expenses plus Interest;
  - iii. Third, to the recoupment by NEON of the Advance plus Interest;
  - iv. Fourth, after the deduction of (i), (ii) and (iii), the remaining Gross Receipts (“**Net Receipts**”) will be payable thirty-five percent (35%) to NEON and sixty-five percent (65%) to Licensor.
- e. NEON will retain its twenty-five percent (25%) “**Distribution Fee**” from all Gross Receipts in accordance with the application of Gross Receipts set forth in Section 5(d) above. For clarity, the Distribution Fee is exclusive of any and all sub-distribution or similar fees or charges no matter how denominated (“**Sub-Distribution Fees**”); provided, however, that Sub-Distribution Fees will be capped at fifteen percent (15%) of applicable gross receipts, other than (i) Sub-Distribution Fees in connection with exploitation via video-on-demand and electronic-sell-through, which will be capped at ten percent (10%) of applicable gross receipts but such 10% cap will only apply during the first eighteen (18) consecutive months following the NEON’s initial release of the Picture via video-on-demand and electronic-sell-through, respectively, and (ii) Sub-Distribution fees in connection with exploitation via physical home video, which will be capped at thirteen and one-half percent (13.5%) of applicable gross receipts, but such 13.5% cap will only apply during the first eighteen (18) consecutive months following the NEON’s initial release of the Picture via physical home entertainment. For clarity, in connection with any sub-distributor of NEON, the Sub-Distribution Fee and the applicable sub-distributor’s expenses will be deducted from such sub-distributor’s gross receipts received in connection with its exploitation of the Picture, and NEON’s Distribution Fee will only be applied to the actual, net amount(s) remitted by the sub-distributor to NEON.
- f. For clarity, NEON has the right to and will cross-collateralize the Gross Receipts (after NEON deducts its Distribution Fee) earned in all media throughout the Territory during

the Term for purposes of collecting Interest and recouping the Distribution Expenses and Advance.

- g.** NEON makes no guarantee, representation or warranty that there will be any Gross Receipts, Net Receipts or any sums payable to Licensor hereunder, and, other than as set forth in Section 10 below, NEON will have no obligation to actually release or exploit the Picture in any particular manner.
- h.** Wherever NEON: (i) makes any expenditures or incurs any liability in respect of a group of motion pictures that includes the Picture; or (ii) receives from any licensee either a fixed sum or a percentage of receipts, or both, for any right to a group of motion pictures that includes the Picture, under any agreement which does not specify what portion of the license payments apply to the respective motion pictures in the group, then in any and all such scenarios, NEON's allocation of a portion of such sums to Gross Receipts or Distribution Expenses (as the case may be) shall be determined reasonably, in good faith and on a non-discriminatory basis.
- i.** NEON shall similarly have obligations of fair allocation with respect to any adjustments to Gross Receipts or Distribution Expenses.
- j.** Distribution Expenses may not include any of the following: any so-called advertising overhead or advertising override taken by NEON, or any salaries or other compensation of NEON employees.

**6. Delivery:**

- a.** "**Delivery**" means delivery to and acceptance by NEON of the Picture and all delivery materials in accordance with the delivery schedule and the specifications set forth therein attached hereto as Exhibit "A" and incorporated herein by this reference (the "**Delivery Schedule**"). Licensor will make delivery of each and every item listed on the Delivery Schedule to a location designated by NEON, at Licensor's sole cost and expense. Licensor agrees that upon request from NEON, it will use best reasonable efforts to provide NEON with free access to all marketing materials created by other distributors of the Picture (if any), subject only to payment by NEON of duplication costs.
- b.** NEON will have thirty (30) days from the later of the Essential Delivery Date, the Complete Delivery Date, and the actual date of delivery to NEON of each applicable delivery item, to inspect and review for compliance with its standard delivery requirements, as stipulated in the Delivery Schedule. In the event NEON determines during such review period and in the exercise of its reasonable and good faith business judgment that a delivery item is defective in some manner, then it will so notify Licensor by specifying the applicable defect in detail. Licensor will then have ten (10) days (reducible to a reasonable shorter period in the event of business exigencies) from its receipt of such notice or return of such item, whichever occurs first, to cure any defect in any delivery item. NEON will then have ten (10) days from its receipt of the cured

delivery item to re-inspect and accept delivery, or alternatively, reject delivery in good faith by providing another notice to Licensor.

- c. Subject to the terms of Section 6(e) below, Delivery of the “Essential Delivery Items” defined in this Section 6(c) will occur no later than December 31, 2018 (the “**Essential Delivery Date**”). Complete delivery of all items on the Delivery Schedule (“**Complete Delivery**”) will occur no later than January 15, 2019 (the “**Complete Delivery Date**”). “**Essential Delivery**” will consist of delivery to NEON of those items from the Delivery Schedule marked with asterisks (the “**Essential Delivery Items**”). If any of the items on the Delivery Schedule are not delivered to NEON by the Essential Delivery Date or Complete Delivery Date, as applicable, then NEON may, at its election: (i) require that Licensor promptly supply such items at Licensor’s sole cost and expense; (ii) secure acceptable replacement(s) for the deficient delivery item(s) and offset the costs of such replacement item(s) (including the fair market value of any in-house services engaged to address any such deficiencies) against any future amounts payable to Licensor under this Agreement or charge such costs as Distribution Expenses; or (iii) terminate this Agreement upon written notice to Licensor, in which event all amounts paid to Licensor (including, without limitation, the Advance (or any portion thereof)) will be promptly repaid to NEON. For the avoidance of doubt, Licensor is solely responsible for obtaining from all applicable individuals or entities, any and all required rights, releases, consents, clearances, licenses, and other authorizations which NEON reasonably determines are necessary to exploit the Rights.
- d. Licensor will provide NEON with free access to all special feature or bonus material (e.g., DVD special features, extras, and “deleted scenes”) (the “**Bonus Material**”) of the Picture which Licensor makes available to any distributor and/or sales agent of the Picture outside of the Territory in all available formats.
- e. **ON A NON-PRECEDENTIAL, NON-QUOTABLE BASIS ONLY**, the parties acknowledge and agree to the following with respect to Delivery, notwithstanding any terms to the contrary set forth herein:
- i. As of June 14, 2019, Licensor had not fulfilled its Essential Delivery or Complete Delivery obligations hereunder;
  - ii. On April 5, 2019, NEON commenced its theatrical release of the Picture, on June 1, 2019, NEON commenced its airline release of the Picture, and NEON currently anticipates its “home entertainment” release of the Picture (via DVD, video-on-demand and electronic sell-through) will commence on or about August 6, 2019;
  - iii. Notwithstanding NEON’s commercial release of the Picture prior to Licensor’s fulfillment of its Delivery obligations hereunder, (A) NEON has not waived and does not waive its rights with respect to Delivery, and (B) NEON has not waived and does not waive Licensor’s obligations to fulfill all of its Delivery obligations to NEON hereunder, and (C) Licensor does not and will not assert that NEON has

waived or does waive its rights with respect to Section 6(e)(iii)(A) and/or Section 6(e)(iii)(B); and

- iv. Notwithstanding Licensor's failure to Deliver the Picture in accordance with the terms of this Agreement, NEON has not exercised and will not exercise its rights and remedies arising strictly from Licensor's breaches with respect to the timing of Licensor's Delivery as set forth hereunder, and the parties agree that such timing breach(es) will be deemed to be cured at the time Delivery of applicable Delivery items is completed by Licensor; provided, however, that:
  - A. the terms of this Section 6(e) do not in any way waive Licensor's obligations to complete Delivery to NEON;
  - B. in the event of any third-party claim arising from or related to Licensor's failure to timely complete Delivery to NEON, NEON will not be restricted from exercising any and all of its rights or remedies as set forth under this Agreement, including, without limitation, those described in this Section 6(e)(iv), but only to the extent necessary to defend against any such third party claim and to obtain indemnification from Licensor regarding such third party claim.

- 7. **Payment; Accounting; Audit Rights:** Commencing with the first calendar quarter in which Gross Receipts are received and earned by NEON and on a quarterly basis for two (2) years thereafter, on a semi-annual basis for the next two (2) years thereafter, and once annually thereafter during any period within which Gross Receipts are received, NEON will furnish Licensor with a statement showing the calculation of Net Receipts, and the amount, if any, due to Licensor with respect to such period. Each statement will be delivered to Licensor within sixty (60) days after the end of any applicable period in which Gross Receipts are received and will be accompanied by payment of any amounts due to Licensor in U.S. dollars, subject to all laws and regulations requiring the deduction or withholding of payments for income or other taxes payable by or assessable against Licensor. All statements will be deemed true and accurate and conclusively binding upon Licensor if not disputed by Licensor in writing within twenty-four (24) months after the delivery of such statement and if a formal legal action is not commenced by Licensor within one (1) year after such written objection. Licensor will have the right, at its own expense, on at least thirty (30) days prior written notice to NEON, to have a certified public accountant or other qualified professional examine the books of account with regard to the exploitation of the Picture at NEON's principal place of business during normal business hours in such a manner as not to interfere with NEON's normal business activities, but not more than once annually and for not more than one (1) consecutive thirty (30) day period during each annual period. Such right of examination will be limited solely to inspection of books and records pertaining to the Picture for the statement or statements being audited. NEON will reimburse Licensor for all actual, third party, out-of-pocket auditing costs of any audit of NEON which discloses an underpayment of the greater of five percent (5%) of the amount due in the applicable statement and Twenty Thousand U.S. Dollars (US\$20,000). Solely in the event that NEON denies Licensor access to its books and records in connection with a permitted audit as required by this Section 7, Licensor may seek specific enforcement in an arbitration (pursuant to the arbitration

provisions hereof). At Licensor's reasonable request, NEON will discuss and, as applicable, share relevant provisions of (redacted as required for NEON to maintain its confidentiality obligations), with Licensor and Licensor's representatives who are bound to the confidentiality restrictions set forth herein, so as to avoid the necessity of a formal audit: third party accounting statements rendered to NEON, excerpts of NEON's third-party agreements, and other applicable auditable backup. NEON shall make all payments hereunder in accordance with payment instructions provided by Licensor in writing (which may be updated from time to time), it being understood that until otherwise directed in writing by Licensor, NEON will direct applicable payments to be made by electronic transfer to the following "**Collection Account**": Fintage Collection Account Management B.V. re: "Amazing Grace", Account number: 127751536, Bank: City National Bank, 400 N. Roxbury Drive, 4th Floor, Beverly Hills, CA 90210, USA, ABA #: 122016066, Swift Code: CINAUS6L. Fintage contact is Marta Roszpopa, email: [marta@roszpopa.com](mailto:marta@roszpopa.com). The parties acknowledge and agree that NEON is not and will not be a party to the collection account management agreement pursuant to which the Collection Account will be administered.

8. **Home Video Reserve:** With respect to NEON's physical home video distribution of the Picture, NEON may establish and retain reasonable reserves for returns and bad debts. Any such reserves will be liquidated periodically, pursuant to NEON's then-current accounting practices, on a good faith, reasonable, customary and non-discriminatory basis, and in any event not later than twelve (12) months after first taken.
  
9. **Third Party Obligations:** For the avoidance of doubt, Licensor is and will continue to be solely responsible for the payment of all gross and net participations, all contingent compensation, deferrals, residuals, royalties, reuse fees, supplemental payments and similar payments arising out of or relating to the production or distribution of the Picture and NEON will have no responsibility to pay any such payments. **ON A NON-PRECEDENTIAL, NON-QUOTABLE BASIS ONLY**, and notwithstanding the immediately preceding sentence, NEON will assume responsibility for, and will pay directly, all residual payments (if any) due to the Directors Guild of America ("**DGA**") solely in connection with the Picture, and NEON will enter into a customary distributor assumption agreement with the DGA; provided, however, that any and all such residual payments will be recouped by NEON as Distribution Expenses.
  
10. **Exploitation:**
  - a. Except as otherwise expressly set forth in this Agreement to the contrary, Licensor acknowledges and agrees that NEON has complete discretion and control (which it will exercise in good faith) as to the time, manner and terms of distribution, exhibition, licensing, exploitation, advertising and marketing of the Picture (including, without limitation, the use of sub-licensees or sub-distributors). NEON, its sub-licensees and/or its sub-distributors may incorporate trailers, clips or excerpts of the Picture on videograms of other pictures. Notwithstanding the first sentence of this Section 10(a), NEON agrees that the Picture will be released theatrically no later than August 31, 2019 (the "**Outside Release Date**") and on a minimum of two hundred (200) screens for at least one (1) week of play on each such screen during the course of NEON's initial theatrical release of the Picture. For the avoidance of doubt, exhibition of the Picture in

more than one auditorium in one multiplex will be counted as one screen and not multiple screens.

- b. NEON will meaningfully consult with Licensor in connection with NEON's initial release plan, official trailer and official one-sheet/key art for the Picture; provided, however, that NEON's decision in all respects will control.

**11. Holdbacks:**

- a. Licensor will not commercially release (and will not authorize any third party to commercially release) the Picture anywhere in the world in any media until after NEON's initial commercial release of the Picture in the Territory in the corresponding media (with the sole exception of the Awards Run).
- b. Licensor represents and warrants that there are no holdbacks or restrictions affecting NEON's right to distribute and exploit the Picture in the Territory in such manner(s) and media as it so chooses.

**12. Talent Publicity Services:** Licensor will use good faith efforts to cause Alan Elliott to render customary publicity services to NEON as, when and where requested by NEON in connection with the Picture, subject to his professional availability and subject to payment of mutually agreed costs associated therewith which will be incurred and paid by NEON and considered Distribution Expenses.

**13. Editing/Specifications:**

- a. Subject to editing restrictions which Licensor timely provides as part of Delivery, NEON shall have the right to cut, edit, delete from, dub and subtitle the Picture as NEON in its sole discretion determines solely for the following reasons (and NEON will make commercially reasonable good faith efforts to consult with Licensor when any such edits are made, but NEON's inadvertent failure to do so will not be deemed a breach of this Agreement): (i) to subtitle the Picture as is customary for exploitation of the Picture in the Territory; (ii) to avoid legal liability; (iii) to conform the Picture to meet the requirements of a governmental censorship authority or comply with local or national broadcast standards or any other applicable laws or standards (including obscenity laws or standards); (iv) to create closed caption or descriptive video versions; (v) to insert bugs, advertising, sponsorships or other commercial materials in a manner which is then current in the motion picture and television industries (including, without limitation, such promotional and commercial material that may run concurrently with the end credits); (vi) to insert or imbed interactive and digitally created elements into the Picture in a manner which is then current in the motion picture and television industries; (vii) to squeeze and compress the Picture and the credits in a manner which is then current in the motion picture and television industries; (viii) to create promotional materials; (ix) intentionally omitted; (x) to meet time and/or standards requirements of airlines and television broadcasters; (xi) to ensure that the Picture does not receive a more restrictive MPAA rating than "R"; and (xii) consistent with other provisions of this

Agreement, to create and license clips from the Picture in a manner which is customary in the motion picture and television industries, and/or to authorize any person to do the foregoing. All such third party, out-of-pocket, auditable and verifiable editing costs will be treated as Distribution Expenses. If Licensor and/or its sub-licensees outside of the Territory request access to such materials created by NEON, the parties agree to negotiate in good faith regarding the cost and procedure for accessing such materials.

- b. The Picture as delivered will meet the following specifications: (i) in color, fully scored with all music and clips fully cleared (including, without limitation, for use in trailers and all other forms of promotion, marketing and advertising, subject to other provisions hereof regarding in context and out of context use); (ii) a running time (inclusive of main and end titles) of eighty-seven (87) minutes; and (iii) capable of receiving an MPAA rating no more restrictive than "R".

**14. Credit:**

- a. In connection with the Picture's exploitation in the Territory, NEON will receive an animated logo credit in first position to all other animated logo credits (on a **non-precedential, non-quotable basis**, NEON will forego an on-screen presentation credit), as well as a static logo credit, as applicable, on screen, in the billing block, and in any and all marketing, advertising, promotional and publicity materials; the third party, out-of-pocket, reasonable, customary, auditable and verifiable costs and expenses incurred by NEON for the addition of any such logo, to the extent not covered by Licensor in connection with its Delivery obligations hereunder, will be Distribution Expenses. In addition, NEON may authorize any of its sub-distributors to add such sub-distributors' names and logos in connection with the distribution and exploitation of the Picture in their respective media in the Territory, and in marketing, advertising, promotion and publicity issued by or for such sub-distributor(s).
- b. As part of its Delivery obligations, Licensor will deliver to NEON a complete written statement showing the exact form and manner of the main and end titles of the Picture and the full text of all advertising credit obligations. Notwithstanding the foregoing sentence, Licensor acknowledges and agrees that NEON will have no obligation to share its presentation credit with any third party (or any "in association with" credit in connection with NEON's presentation credit); to the extent Licensor has granted any third party such credit(s), Licensor will be solely responsible for releasing such obligations. NEON will use commercially reasonable, good faith efforts to notify its sub-distributors and licensees of all contractual and verifiable credit obligations, to the extent Licensor has timely delivered such credit obligations to NEON. Further, the casual or inadvertent failure by NEON and/or the failure of any third party to comply with the credit obligations set forth in this Section 14 will not be a material breach of this Agreement; provided, that upon written notice, NEON will use commercially reasonable efforts to prospectively cure any non-compliance and shall use commercially reasonable efforts to cause its sub-distributors and licensees to do so as well.
- c. In exercising its rights under this Agreement, NEON will not alter or delete any credit, logo,

copyright notice, trademark notice or other notice appearing on the Picture. NEON agrees not to delete or modify the copyright or trademark notice affixed to the Picture, provided it complies in all respects with applicable copyright and trademark laws. NEON further agrees not to delete or in any way modify any screen credit afforded in the head or end titles to cast, crew or any other person or entity as such credits appear on the positive prints of the Picture upon Delivery.

- d. NEON, its sub-licensees and/or sub-distributors may incorporate onto videograms of the Picture preceding and/or following the Picture as applicable, NEON's and/or any of NEON's sub-licensees', sub-distributors' and affiliates' names, trademarks, logos, trailers, clips, excerpts of other pictures, standard "opening" and "closing" sequences, including without limitation, an introductory visual "logo" with or without music, any legal notices or other information which is necessary, paid advertising, and any so-called "making of" or "behind the scenes" documentary footage or programming including, without limitation, any part of the electronic press kits, featurettes, interviews, television specials and publicity clips prepared in connection with the Picture.
  - e. Notwithstanding anything to the contrary herein or as may be set forth in any other agreement Licensor has entered into in connection with the Picture, NEON, subject to its meaningful consultation with Licensor and on a case by case basis, may eliminate all logos from any marketing, advertising and promotional material(s), or include only NEON's presentation credit as described in Section 14(a) above in any such material(s).
15. **Copyright:** The copyright in the Picture will be held by Licensor, and Licensor will register, renew, extend and protect such copyright in its name for the maximum period of time allowed by law and furnish NEON with copies of such registrations. If Licensor fails to do so, NEON will have the right to register the copyright in Licensor's name in the U.S. Copyright Office, the costs of which will be Distribution Expenses. In addition, NEON will have the right to take such steps and to institute such suits and proceedings as NEON may deem necessary or advisable to protect the copyright in the Picture and its elements and to prevent any infringement thereof, and all third party, out-of-pocket, reasonable, customary, auditable and verifiable costs in connection therewith will be Distribution Expenses. In connection with the rights described in this Section 15, Licensor hereby irrevocably appoints NEON as its attorney-in-fact with the full power to execute any and all documents consistent herewith as may be required. This appointment is a power coupled with an interest.
16. **Insurance:** As of the commencement of the Term and extending through and including July 21, 2020, Licensor will maintain at its own cost and expense, with a nationally recognized insurance carrier acceptable to NEON, an "occurrence basis" producer's errors and omissions insurance policy with a deductible of no more than Twenty-Five Thousand U.S. Dollars (US\$25,000) and with policy limits of at least One Million U.S. Dollars (US\$1,000,000) per occurrence and Three Million U.S. Dollars (US\$3,000,000) in the aggregate for the Picture. Such insurance will: (a) be endorsed by the insurance carrier to indicate coverage is primary and any insurance maintained by the additional insureds is non-contributory; (b) provide coverage for any claims related to the Picture (including, without limitation, the title, music, clips, archival footage and/or third party references therein), and advertising and promotion materials with respect thereto; and

(c) not be cancellable without first providing NEON with thirty (30) days' written advance notice of cancellation or non-renewal. Licensor will deliver to NEON a valid insurance endorsement (in form and substance reasonably satisfactory to NEON) evidencing the insurance coverage as required hereunder, and naming NEON, its parent, affiliates, subsidiaries, assigns and licensees as now or hereafter may exist (and any additional persons or entities as NEON may designate to Licensor from time to time) as additional insureds, as required herein, by no later than the earliest to occur of the date of NEON's initial release of the Picture and the Delivery Date.

**17. Security Interest:** As security for the performance by Licensor of all of its obligations hereunder, Licensor hereby grants and assigns to NEON a mortgage of copyright and a continuing security interest in the Rights hereunder in the Territory and during the Term and all proceeds thereof, whether now in existence or hereafter made, acquired or produced. Licensor agrees to execute all such documents as NEON may reasonably require in order to effectuate the security interest and mortgage of copyright, including, without limitation, those documents attached hereto as Exhibit "C", which will be executed by Licensor (and notarized, as applicable) and delivered to NEON concurrently with this Agreement. In the event Licensor fails to execute any such documents within five (5) business days after request therefor, Licensor hereby appoints NEON as its irrevocable attorney-in-fact with the power to execute such documents consistent herewith as may be required in connection with the perfection and continuation of the security interest. This appointment is a power coupled with an interest. NEON will copy Licensor on any document executed pursuant to this power of attorney immediately after execution.

**18. Representations and Warranties:**

a. Licensor hereby represents and warrants that: (i) it has the full right, power and authority to enter into this Agreement and to grant all of the Rights; (ii) it owns or controls all rights in and to the Picture and in and to all literary, dramatic and musical material included therein required for NEON to exercise the Rights, without any lien, claim or other encumbrance thereon which can or will impair or interfere with the Rights, NEON's ability to exploit the Rights as NEON determines in its sole discretion consistent with the terms and conditions of this Agreement, and/or NEON's ability to collect and apply all Gross Receipts as set forth herein; (iii) all sound recordings, musical compositions and/or performances of musical compositions contained in the Picture have been licensed for in-context use (and, with respect that certain cue "How I Got Over" by Clara Ward included in those trailers created by or for NEON, out-of-context use in connection with advertising and publicity of the Picture) in all media, now known or hereafter devised, worldwide, in perpetuity, and no additional payment for the use of any such composition or performance will be required except for payment of the applicable performance rights royalties to ASCAP, BMI or SESAC; (iv) all licenses of any material licensed for use in connection with the Picture contain language that the licensor/publisher of such material may only seek remedies at law for any breach or alleged breach of the terms of the licenses, and expressly waives any right of such licensor/publisher to injunctive or other equitable relief; (v) the Picture and each and every part thereof, and the exercise by NEON, its sub-distributors and/or its sub-licensees of the Rights, will not violate or infringe upon any right or interest whatsoever of any party; (vi) there is no action, suit, claim or proceeding pending or threatened

against or affecting the Picture, its producers, Licensor and/or any distributor of the Picture (it is acknowledged that Licensor has notified NEON of two (2) claims made against Licensor in connection with the Picture, but it is further acknowledged that Licensor has notified NEON of the coverage of such claims provided by Licensor's errors and omissions insurance policy; that, as of the date of execution of this Agreement, neither claim will affect NEON's ability to exploit its Rights as granted hereunder and that Licensor's obligation to indemnify NEON is fully applicable to each such claim); (vii) the Picture will not contain any matter which is indecent, obscene, or contrary to law; (viii) Licensor has not accepted (or agreed to accept) any money, services or other valuable consideration in return for including any advertising or promotional matter within the Picture; (ix) there is no musical, literary, or artistic material contained in the Picture that is subject to the legal principal known as the 'Rear Window Reversion' as contained in *Abend v. MCA Inc.*, 863 F.2d 1465 (9th Cir. 1983) and its progeny; (x) the copyright in the Picture and the literary, dramatic, and musical material upon which it is based or which is contained in the Picture is and will continue to be valid and subsisting throughout the Territory and apart from traditional musical compositions which may be in the public domain, no substantial part thereof is in the public domain; (xi) all persons and/or entities furnishing products or services or granting rights in the Picture have authorized (pursuant to binding and executed written agreements with Licensor or with a third party which has assigned the benefit to Licensor), which agreements grant all requisite rights and, specifically, with respect to any person rendering services, are work-for-hire agreements, whereby NEON has the right to the use of their name, voice, approved likeness and approved biographical data for any reason whatsoever, and in any manner whatsoever, in or in connection with the Picture or the advertising, marketing, and promotion or other exploitation of the Picture in accordance with its rights hereunder; (xii) Licensor has the right to use the title, "AMAZING GRACE" in connection with the exploitation of the Picture and such right is included in the grant of Rights to NEON hereunder; (xiii) all costs of production of the Picture (including, without limitation, compensation, guild and union pension and health plan contributions and license fees) will have been paid in full by Licensor prior to Delivery or are scheduled to be paid by Licensor, but in any event no such costs (and no other payments of any kind) will be the responsibility of NEON, unless NEON expressly agrees to any such payment(s) in a separate, signed writing; and (xiv) the Picture was not produced under the jurisdiction of any union or guild and that the Rights are not subject to any collective bargaining agreement (with the sole possible exception of the DGA). Licensor's representations, warranties and indemnities will remain in full force and effect at all times, notwithstanding any approval or acceptance by NEON of the chain of title and/or Delivery.

- b. NEON hereby represents, warrants and agrees that NEON has the full authority and capacity to execute this Agreement and perform all of its obligations under this Agreement.

**19. Indemnification:**

- a. Licensor hereby agrees to indemnify and hold harmless NEON, its parent, affiliates, assigns, licensees, and related entities, and each of their respective directors, officers, employees, agents, licensees and assignees, from and against any and all third party claims, liabilities, damages, costs and expenses, including reasonable outside counsel fees, arising from or relating to any breach or alleged breach by Licensor of any representation, warranty, covenant or agreement made by Licensor herein, or the exercise by NEON of the Rights in accordance with this Agreement.
- b. NEON hereby agrees to defend, indemnify and hold harmless Licensor, its parent, affiliates, assigns, licensees, directors, officers and employees from and against any and all third party claims, liabilities, damages, costs and expenses, including reasonable outside counsel fees, arising from or relating to (i) any breach or alleged breach by NEON of any representation, warranty, covenant or agreement made by NEON herein (other than those covered by Licensor's indemnity above or otherwise arising out of Licensor's gross negligence or willful misconduct) and/or (ii) NEON's gross negligence or willful misconduct.

**20. Default:**

- a. Upon written notice given to Licensor, NEON will have the right to terminate this Agreement, if (i) Licensor materially breaches any material provision of this Agreement and such breach prevents NEON from continuing to exploit the Rights as granted hereunder in a commercially reasonable manner; (ii) Licensor has made any material representation or warranty in this Agreement that is untrue or incomplete as of the date made and prevents NEON from continuing to exploit its Rights as granted hereunder in a commercially reasonable manner; (iii) Licensor becomes insolvent or a petition under any bankruptcy or insolvency law is filed by or against Licensor or any property of Licensor is attached and such attachment is not released within thirty (30) days, or if Licensor executes an assignment for the benefit of creditors, or if a receiver, custodian, liquidator or trustee is appointed for Licensor; and/or (iv) the security interest granted by Licensor to NEON ceases to be enforceable or capable of perfection or of substantially the same effect and priority purported to be created hereby. As to (i), (ii) and (iv), Licensor will have thirty (30) days to cure with respect to such breach, representation, warranty or security interest, as applicable. Should Licensor dispute NEON's determination to terminate the Agreement, Licensor will have the right to seek immediate arbitration and applicable relief from the assigned arbitrator, including suspending or voiding the termination. NEON and Licensor will cooperate as reasonably necessary to expedite the appointment of an arbitrator and to expedite the arbitration. In the event of termination, (x) NEON will be entitled to immediate repayment of all then unrecouped out-of-pocket costs incurred by NEON in connection with the Picture (including without limitation, the Advance, and its costs in connection with any arbitration that Licensor elects to pursue, unless Licensor prevails in the arbitration, in which case Licensor will be entitled to recover its costs in connection with the arbitration), (y) NEON will account to Licensor for any Gross Receipts received during the applicable accounting period up to the date of termination or thereafter, to the extent any Net Receipts owed to Licensor are in excess of NEON's costs set out in (x),

and thereafter, (z) NEON will have no further obligations to Licensor, nor will Licensor have any further obligations to NEON, it being understood that the Rights granted to NEON hereunder will lapse upon such termination. For clarity, NEON's right to terminate as set forth in this Section 20(a) does not limit NEON from pursuing any other remedies, whether at law or equity, available to it hereunder or by law in connection with any set of circumstances from which NEON's right to terminate arises.

- b. Licensor agrees that any breach by NEON will be deemed curable in all respects other than as to time of performance.

**21. Remedies:**

- a. Licensor agrees that its rights and remedies in the event of any breach of this Agreement by NEON will be limited to the right, if any, to recover money damages in an action at law, and except as set forth in the following sentence, Licensor will in no event be entitled by reason of any such breach to seek injunctive or other equitable relief or to enjoin or restrain the distribution, exhibition, advertising or any other means of exploitation of the Picture or the Rights. Licensor shall be entitled to seek injunctive or other equitable relief to enjoin or restrain the exercise of rights by NEON outside of the Territory or after the Term.
- b. In the event of a dispute, neither party will be entitled to receive punitive damages.

- 22. Confidentiality/Press Release:** The terms of this Agreement are confidential, provided that each party may disclose the terms to its respective confidential business and/or professional advisors, prospective and actual financiers, counsel, or as may otherwise be required by law, and NEON may additionally disclose terms to guilds and collective bargaining entities to the extent necessary to comply with its obligations hereunder. NEON will prepare the content and determine the timing of any press release concerning this Agreement. Licensor has not publicly released or disclosed and will not publicly release or disclose any business information as to this Agreement without NEON's prior written approval. In addition, Licensor undertakes that it will not issue advertising or publicity relating to the Picture in the Territory during the Term without NEON's prior written approval; provided, that Licensor's participation in promotional efforts executed by or for NEON will not be deemed a violation of this provision.

- 23. Notices:** All notices will be given in writing by mail, messenger, or overnight courier addressed as indicated above, or by electronic mail at: for NEON, [tom.quinn@neonrated.com](mailto:tom.quinn@neonrated.com), with a copy to [jessica@neonrated.com](mailto:jessica@neonrated.com) and for Licensor, [Alan@AlanElliott.net](mailto:Alan@AlanElliott.net), with a copy to [edoner@donerlaw.com](mailto:edoner@donerlaw.com). The date of actual receipt will be deemed to be the date of service.

- 24. Assignment:** NEON has the right to freely assign, license or otherwise transfer this Agreement or any of its rights or any interest hereunder to (a) a parent, subsidiary or affiliated corporation or (b) any third party, having, acquiring or succeeding to all or substantially all of NEON's assets and liabilities, provided in each instance that NEON will notify Licensor in writing and in advance and NEON shall remain secondarily liable unless such assignee possesses substantially equivalent distribution capabilities and such assignee agrees in writing to perform all of the

terms and conditions remaining to be performed by NEON hereunder. Any assignment by NEON will be binding upon Licensor and will inure to the benefit of NEON, its successors, licensees and assignees. Licensor may not assign this Agreement or any of its rights or obligations hereunder.

**25. Miscellaneous:**

- a. This Agreement will be governed by the laws of the State of New York applicable to contracts made and entirely performed therein and New York's choice of law principles. Subject only to the arbitration provisions which follow in this Section 25(a), all actions, proceedings or litigation brought by any party hereto relating to this Agreement will be instituted and prosecuted exclusively within the Federal and State courts situated within the City of New York and State of New York, and the parties hereby agree and submit to the jurisdiction and venue of such courts for such purposes. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by binding arbitration in the County and State of New York before a single, neutral arbitrator. The arbitration shall be administered by JAMS pursuant to its Streamlined Arbitration Rules and Procedures. Judgment on the arbitration award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.
- b. Licensor will duly execute and deliver to NEON any and all assignments or instruments consistent herewith which NEON may deem necessary to carry out and effectuate the purposes and intent of this Agreement, including without limitation, separate assignments of any of the Rights. In the event Licensor fails to execute any such instrument within five (5) business days after request, Licensor hereby irrevocably appoints NEON as Licensor's attorney in fact, which appointment will be a deemed a power coupled with an interest, with full rights of substitution and delegation, to execute any such instruments in Licensor's name and on Licensor's behalf. NEON shall deliver to Licensor a copy of any instrument executed pursuant to this further instruments clause immediately after execution.
- c. Notwithstanding anything to the contrary herein, NEON's receipt of all duly completed tax forms (including a W9 form if Licensor is a domestic entity, or W8-BEN form if Licensor is a foreign entity) from Licensor is a condition precedent to NEON's obligation to pay any amount to Licensor that would otherwise be due pursuant to the terms and conditions hereof.
- d. This Agreement constitutes the entire understanding between the parties on the subject matter contained herein and supersedes any and all prior negotiations, agreements or understandings, written or oral, relating to the Picture and the subject matter hereof (including, without limitation, the short form term sheet dated as of December 6, 2018 between the parties, which is hereby deemed to be of no effect and null and void *ab initio*) and may be altered only by a written consent signed by all the parties hereto. Nothing contained in this Agreement will be deemed to create a partnership or joint

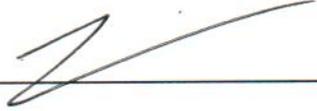
venture between the parties hereto. This Agreement may be executed in multiple counterparts, each of which will constitute an original and all of which together will constitute one instrument. A signature by facsimile or electronic transmittal will be accepted and considered as an original signature.

[SIGNATURE BLOCK APPEARS ON THE FOLLOWING PAGE]

By signing in the spaces below, NEON and Licensor accept and agree to all of the terms and conditions of this Agreement as of the date first above written.

Sincerely yours,

NEON RATED, LLC

By:  \_\_\_\_\_

Name: Tom Quinn

Its: Founder/CEO

Date: 6/26/19

ACCEPTED AND AGREED:

AMAZING GRACE MOVIE, LLC

By:  \_\_\_\_\_

Name: Alan Elliott

Its: Principal

Date: 6.24.19

EXHIBIT A  
DELIVERY SCHEDULE

TO BE DELIVERED BY LICENSOR:

Items marked with \*\* must be delivered to NEON by the Essential Delivery Date.

A. \*\*VIDEO ELEMENTS\*\*

All video mastering will originate from a high definition, color corrected, final version of the Picture. The format for this must be 23.976 PsF, 1920x1080, 16x9 aspect ratio (or letterboxed to conform to this), encoded as HD ProRes 422HQ. If the Picture's native resolution exceeds 1920x1080 (i.e. 4K), we will require delivery of an additional master file at full resolution. All video masters will include textless backgrounds for all titles and inserts after the end credits on the last part of the master. The timecode of textless material must match the timecode of the texted material on the master. If the Picture contains more than 20 lines of subtitles, a full textless master is required.

1. The preferred specs for the final delivered master are a .mov wrapped ProRes 422(HQ), 1920x1080, 220 Mb/s, 709 colorspace, 4:2:2, compliant with SMPTE 274 Matrix. The start of picture should correspond with time code 01:00:00:00, with one second of black at the beginning and end of feature.
2. NEON's company animated logos must be included on the master, with NEON in first position, at the start of feature at 01:00:00:00. These will be provided to Licensor by NEON. If NEON is receiving an official presentation credit, the master must also be delivered with the presentation credit added into the opening and/or closing titles.
3. If the film has an aspect ratio that is not 1.85:1 or 1.78:1 (if it is widescreen/scope), NEON requires delivery of an additional modified version that will fill a standard 16x9 frame without the use of letterboxing.
4. Embedded audio must be delivered in mono discrete channels (one track per channel). Please note that when delivering 5.1 embedded audio, a 2-channel stereo mix must be present as well, occupying channels 7 and 8. The audio channel configuration should be as follows:

- 1= Left
- 2= Right
- 3= Center
- 4= LFE (Low Frequency Effects)
- 5= Left Surround
- 6= Right Surround
- 7= Left Stereo (Lt)
- 8= Right Stereo (Rt)

## 5. DCP

One (1) unencrypted full length NTSC HD 2K or 4K DCP master with 5.1 or 7.1 audio. NEON's respective logos should appear at the beginning of the final delivered DCP. Also, if NEON is receiving official presentation credits, the DCP must also be delivered with the presentation credits added into the opening and/or closing titles.

B. **\*\*MASTER SOUND MATERIALS\*\***

All audio files to be delivered as 6 discrete audio channels in .wav format. This includes both the final mix AND the separated dialogue/music/effect stems. Please label all sound materials as "[TITLE OF FEATURE" – [Sound Element (e.g. 4+2 M&E, 5.1 Printmaster, etc.)]"

## 1. 5.1 PRINT MASTER

One (1) 6-Track/5.1 PRINT MASTER recorded in "full range"

Print Master LEFT  
 Print Master RIGHT  
 Print Master CENTER  
 Print Master LFE  
 Print Master LEFT SURROUND  
 Print Master RIGHT SURROUND

## C. PUBLICITY

1. **\*\*Logos\*\***

Adequately sized camera-ready black and white stats of any and all logos that contractually must be included in the billing block. It is the responsibility of Licensor to determine mandated inclusion of any all company logos and to deliver all required logos to NEON. Any logos not included in delivery are not guaranteed placement on created materials.

2. **\*\*Company logo usage requirements\*\***

A brief summary sheet that lists required placement, order, and sizing of any company logos that are to be included on final materials created by NEON.

3. **\*\*Title treatments\*\***

A layered photoshop file or a high resolution version with a white background of the title as it appears in the Picture and access to any fonts used in the picture.

4. **\*\*Publicity Stills\*\***

A minimum of twenty (20) pre-approved, high resolution images without watermarks. These images should be cleared in advance by all necessary parties, including talent, and ready for use in promotional materials by NEON.

5. **\*\*Key art\*\***

All existing artwork delivered as a high resolution layered .psd file.

6. Press Notes (if available)

A formal statement that includes an overview of the Picture, the filmmaker's past work, cast notes and a synopsis of the movie.

8. Publicity Wrap Report (if available)

Includes all press hits related to any previous release or exploitation of the Picture prior to Delivery.

9. Additional materials (if available)

Please provide any further materials that could potentially be used in the marketing or distribution of the Picture. Examples include deleted scenes, EPK, cast interviews, BTS footage, international trailers, alternate endings, etc.

D. ESSENTIAL DOCUMENTATION

All essential documents must be delivered in English.

1. Combined Dialogue and Spotting List

One (1) Microsoft Word formatted document containing the final and complete (inclusive of credits) combined continuity and spotting list of the Picture including "in" and "out" cut-by-cut footage and frames, scene descriptions, character dialogue, music starts and stops, lyrics (if any) and translations of all dialogue spoken other than English. Time code will match the DCP reels time code.

2. English Subtitle File

An English subtitles file (.srt format preferred), if there exists any non-English or unintelligible spoken sections in the audio track. Please ensure this file is perfectly synced and to the same frame rate as the delivered video file.

3. Additional Subtitle Files

Subtitle files in both Spanish and French languages (.srt format preferred). If available, please also provide access to any existing foreign language tracks and/or subtitle files.

## 4. Closed caption file

A continuous closed caption file delivered in .scc format, not broken into reels, exactly matching the final delivered master.

## 5. General Fact Sheet

One (1) copy of a completed general fact sheet that incorporates all relevant metadata including but not limited to Title, Copyright, Copyright Owner, Copyright date, Date of Completion, Sound format, Aspect Ratio, Shooting Equipment, Editing Equipment, Previous Festivals Played, and Budget.

## 6. Music

(a) **\*\*Music Cue Sheet\*\***

A music cue sheet stating for each composition in the Picture: the title, the composers, publishers, copyright owners, performers, arrangers, usage (specifically if the cue is licensed for in-context and/or out-of-context marketing/promotional use), performing rights society, as well as the duration of each cue and film footage in and out.

(b) **\*\*Music Licenses\*\*** (NEON acknowledges that, **on a non-precedential, non-quotable basis**, delivery to NEON of written confirmation of applicable music license terms, along with proof of payment of the applicable license fee(s), will satisfy NEON's Essential Delivery requirements with respect to music licenses; for clarity, however, Licensor's obligation to deliver to NEON fully executed music licenses is not waived and will be required as part of Complete Delivery)

Copies of fully-executed long form synchronization and performance licenses, master use licenses, library licenses, and agreements for each composer of original underscoring used in the Picture, in a form acceptable to NEON, authorizing the use of all music contained in the Picture on a full buy-out basis in all media now known or hereafter devised. Said licenses should allow for the use of each cue used in the Picture in perpetuity throughout the universe without any future payment obligations (e.g. box office bonuses or so-called "step-ups"). Licensor shall use reasonable efforts to ensure that all such license agreements contain language which prevents the licensor/publisher of the music from seeking injunctive or other equitable relief in connection with any breach or alleged breach of the terms of such agreement(s)/ license(s), along with other terms and conditions customarily included according to industry standard and practice, and will notify NEON in writing at the time of delivery of any applicable license if such provisions are not included. The foregoing requirement will be deemed to include copies of all AF of M (or foreign equivalent) contracts for union members, if applicable, and SAG (or foreign

equivalent) contracts for any singers hired through the guild whose performance is utilized in the score or on camera.

7. Film/Television/Other Clips

(a) Footage Clip Cue Sheet

Should the Picture include clips containing footage from any outside source (including, without limitation, other motion pictures or television), NEON will be furnished with a Clip Cue Sheet, indicating exactly where each clip appears in the Picture (via footage and frame counts), the title and source of the clip, the copyright owner, and the exact duration.

(b) Footage Clip Licenses

Copies of fully executed agreements for each clip contained in the Picture, evidencing that all necessary rights to use the clip in the Picture have been obtained, including all underlying permissions, if any, from the original producers and composers of music contained in the clips.

8. Credits and Related Distribution Information

(a) **\*\*Billing Block\*\***

Final approved billing block for posters, video packaging, paid advertising and trailers, approved by all parties, including all required logos.

(b) Final Cast and Crew List

A list of all cast and crew hired in connection with the Picture and their contact information.

(c) **\*\*Paid Ad Summary\*\***

A comprehensive document listing all credit, likeness, approvals, and dubbing/cutting requirements. This statement will summarize the following contractual credit and other information (if there is no contractual obligation to accord any credit which has been accorded on screen or in the billing block, the "obligation" should be stated as "NEON's Discretion"):

- (i) All main and end title screen credit obligations and restrictions;
- (ii) All paid advertising credit obligations and restrictions;
- (iii) All restrictions and obligations applicable to the dubbing of any player's voice into another language;
- (iv) All restrictions and obligations applicable to the use of the likeness of any talent in any advertising, promotions, etc.;

- (v) All restrictions and obligations applicable to talent travel;
- (vi) All talent approval rights applicable to stills, artistic renderings, biographies, credits, video mastering, merchandising/tie-ins, and any related matters; and
- (vii) All contractual obligations with respect to editing the Picture.

(d) Final Screen Credits

A list of the final front and end credits for the Picture as they appear on screen.

(e) Principal talent contact info sheet

A list of contact information for all primary talent representatives to be used by NEON as needed to seek approvals for marketing materials, bonus/extra material, and to coordinate press/publicity opportunities.

9. Legal

(a) **\*\*Chain of Title\*\***

All documents evidencing ownership of the Picture from initial underlying elements (e.g., screenplay, book or stage play option/purchase, or writer employment) through to the completed motion picture, including evidence of filing of all applicable documents with the US Copyright Office (e.g. Form PAs for each of the screenplay and the completed motion picture, and recordation with Document Cover Sheets of all documents evidencing ownership and transfer of all underlying rights to the production LLC), and all documents evidencing proof of payment in connection with any transfer of rights.

(b) Thomson & Thomson (or equivalent) Copyright Report and Title Search

A copyright report and title search report with accompanying legal opinion(s), at Licensor's expense. **On a non-precedential, non-quotable basis**, NEON will not require delivery of a copyright report in order for Licensor to satisfy its Delivery obligations hereunder; provided, however, that if Licensor prepares (or has prepared on its behalf) a copyright report to satisfy its delivery obligations to any other distributor and/or sales agent of the Picture, Licensor will promptly deliver a copy of such copyright report to NEON.

(c) **\*\*Instruments of Transfer\*\***

Two (2) duplicate originals of an Instrument of Transfer, transferring to NEON all of Licensor's right, title and interest in and to the Picture and all underlying literary material (see Exhibit B attached hereto).

- (d) Deal Memos and Contracts (\*\*all deal memos/contracts that stipulate talent approval over any aspect of the exploitation of the Picture must be delivered to NEON by the Essential Delivery Date\*\*)

Photocopies of all fully-executed deal memos, long-form agreements or other documents relating to the engagement of all above the line and below the line personnel for the Picture, including: writer(s); director; producer(s) (individual and/or corporate); cast; composer; music supervisor; editor; casting director; costume designer and director of photography. All contracts (including day-player employment contracts) in which a minor agrees to render services must be (i) consented to in writing by the minor's parents, and (ii) approved by the appropriate court prior to performance of services.

- (e) Legal Clearances

Photocopies of all fully-executed licenses, contracts, location agreements, and/or other written permissions, authorizations or releases from the proper parties in interest permitting the use of any product, musical, literary, dramatic, copyrighted, trademarked and other material of whatever nature used in the production, exploitation, or advertising of the Picture.

- (f) Bonus Material Clearances (required to the extent that Licensor delivers applicable bonus materials to NEON)

Photocopies of all fully-executed licenses, clearances and releases for all material used in agreed-upon DVD bonus materials, on a full buy-out basis, in perpetuity, in all media now known or hereafter devised.

- (g) Stock Footage

A list setting forth in detail all stock footage used in the Picture, noting the copyright owner(s) of said footage. Photocopies of all fully-executed agreements for all stock footage contained in the Picture, evidencing that all necessary rights to use the footage in the Picture have been obtained, including all underlying permissions required, if applicable.

- (h) Dolby/SDDS/DTS Contracts (if applicable)

Photocopies of the fully-executed contract(s) with Dolby licensing the use of the stereo process for the Picture. The fee paid must authorize a Dolby SR mix for a full-length feature for worldwide theatrical distribution.

- (i) \*\*E&O Insurance\*\*

A full text copy of the motion picture errors and omissions insurance policy maintained by Licensor and issued by a nationally recognized insurance carrier

licensed in the United States, in accordance with those terms as more fully set forth in the Agreement, including all endorsements.

NEON is to be listed as an additional insured under Licensor's policy. Said policy will include the following language adding NEON as an additional insured: "NEON Rated, LLC, its parent, affiliates, subsidiaries, assigns and licensees as now or hereafter may exist (and any additional persons or entities as NEON Rated, LLC may designate from time to time)"

Additionally, the following companies should be added as additional insureds; provided, however, that NEON reserves the right to modify this list from time to time:

Mongrel Media Inc.  
1352 Dundas Street, West  
Toronto, ON M6J 1Y2  
Canada

Universal City Studios Productions LLLP  
10 Universal City Plaza, 6th Floor  
Universal City, California 91608  
United States

IN DEMAND LLC  
345 Hudson Street  
17th floor  
New York, NY 10014  
United States

VUBIQUITY, INC.  
3900 W. Alameda Ave.  
Suite 1700  
Burbank, CA 91505  
United States

Virgil Films and Entertainment  
237 Centre St., Second Floor  
New York, NY 10013  
United States

(j) Certificates of Origin

Two (2) notarized original certificates of origin (if requested by NEON).

(k) Sexually Explicit Content

All such documents and filings required in connection with U.S. laws concerning depictions of Actual or Simulated Sexually Explicit Conduct or Lascivious Exhibition.

10. Residual, Reuse and Future Payment Obligations

A statement certified by the production accountant, setting forth as true and correct, the total amount of all compensation paid to each class or group of personnel; and a statement as to whether or not each such person is subject to any union, guild or federation agreement, and the name of such union, guild or federation, along with evidence, to the extent applicable, that such persons were employed and fully paid at not less than union, guild or federation scale. Also, if and as applicable:

- (a) Copies of all service agreements containing provisions for guild equivalent residuals;
- (b) DGA (or foreign equivalent) contracts and deal memos;
- (c) DGA credit determination letter(s), if any;
- (d) Writer contract(s);
- (e) WGA approval of the Notice of Tentative Writing Credits;
- (f) AF of M (or foreign equivalent) session reports; and
- (g) Payroll company name, address, phone and contact information.

E. PRODUCTION FILES, ACCOUNTING FILES & ARCHIVE ASSETS

1. Post-Production Crew List

A copy of a complete list of the post-production crew with contact information.

F. WORK MATERIALS

Initial delivery of work materials is not a requirement, but all of the following items must be provided if explicitly requested by NEON.

1. Work Materials – Picture Elements (the parties acknowledge that access to such materials requires Franklin Estate approval)

(a) Title/Miscellaneous Artwork

Access to all source materials created during post-production, including but not limited to, stock footage tapes, 24F playback tapes, etc. If the post-production of the Picture was accomplished electronically (e.g. video tape, video disc, etc.), all source materials that were used or created during post-production.

(b) Title Elements: Main/End Titles

Access to all source materials created during post-production, including but not limited to, stock footage tapes, 24F playback tapes, etc. If the post-production of the Picture was accomplished electronically (e.g. video tape, video disc, etc.), all source materials that were used or created during post-production.

2. Work Materials – Sound Elements (the parties acknowledge that access to such materials requires Franklin Estate approval)
3. Work Materials - Editorial & Miscellaneous (the parties acknowledge that access to such materials requires Franklin Estate approval)

(a) Lab List

One (1) copy of a complete listing (with all contact details) of all laboratories and other facilities in which any work on the Picture was done.

Send all deliverables clearly labeled with “AMAZING GRACE” to: NEON, ATTN: Sara Cushman, 109-B Denson Drive, Austin, TX 78752.

EXHIBIT B

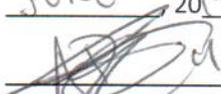
INSTRUMENT OF TRANSFER

For good and valuable consideration, receipt of which is hereby acknowledged, Amazing Grace Movie, LLC ("Licensor") hereby grants to NEON Rated, LLC ("NEON"), solely and exclusively, the "Rights" throughout the "Territory" for the duration of the "Term" (all as defined on the attached Schedule 1) in and to the motion picture currently entitled "*Amazing Grace*" (the "Picture") and as further specified in that certain agreement, dated December 6, 2018, between Licensor and NEON (the "Agreement").

Subject to the aforesaid, NEON will be empowered to bring, prosecute, defend and appear in suits, actions and proceedings of any nature, concerning any copyright in and to the Picture, or concerning any infringement of such copyright or interference with any of the rights granted to NEON herein. Any recovery of damages, penalties, costs or otherwise arising by reason of infringement of any such copyright(s) or violation of the rights transferred to NEON herein has been assigned, and shall be paid, to NEON.

IN WITNESS WHEREOF, Licensor hereby executed this Instrument of Transfer this 24 day of

JUNE 2019.

  
\_\_\_\_\_  
Amazing Grace Movie, LLC  
("Licensor")

By: Alan Elliott

Title: Principal

INSTRUMENT OF TRANSFER FOR “*Amazing Grace*”

## SCHEDULE 1

The “TERRITORY” is defined as:

The United States (including without limitation, Puerto Rico, the U.S. Virgin Islands, and Guam), Canada and the Caribbean Basin (to mean and include Anguilla, Antigua & Barbuda, Aruba, the Bahamas, Barbados, Bermuda, Bonaire, British Virgin Islands, Cayman Islands, Curacao, Dominica, Dominican Republic, Grenada, Haiti, Jamaica, Montserrat, Saba, St. Eustatius, St. Kitts & Nevis, St. Lucia, St. Vincent & Grenadines, Trinidad & Tobago, and Turks & Caicos) and all of their respective territories, possessions, and wherever located, all installations including, without limitation, military bases, diplomatic posts, and oil rigs, and all airlines flying the flags of such countries, and ships at sea with principal offices located in or flying the flags of such countries.

The “TERM” is defined as:

The term will commence as of the Effective Date and continue for fifteen (15) years from the earlier of NEON’s receipt and approval of all delivery materials and NEON’s initial commercial release of the Picture (acknowledged to be April 5, 2019), plus an additional five (5) years if at such time NEON is still unrecouped.

The “RIGHTS” is defined as:

Licensor hereby irrevocably and exclusively grants, licenses and assigns to NEON all distribution and exploitation rights of every kind, and applicable ancillary rights related to such distribution and exploitation rights, including without limitation, those under copyright, in and related to the Picture, in the Territory (as defined below) and during the Term (as defined below), in all languages, and in all media, whether now known or hereafter devised, including, without limitation (but subject only to the terms of Section 1(b) below): theatrical rights; non-theatrical rights; television rights (all forms, including, without limitation, free, pay, cable, terrestrial, and satellite); pay-per-view rights; video-on-demand rights; subscription video-on-demand rights; free and/or advertising supported video-on-demand rights; electronic rental rights; electronic sell-through rights; download to own rights; all other forms of electronic delivery rights (including, without limitation, internet and online transmission by any and all means, method, process or device now known or hereafter devised); home video rights (all forms, including, without limitation, videocassettes, DVD, HD-DVD, Blu-Ray, and all other types of videograms and/or other analogous home video technology, whether now known or hereafter devised); hotel rights; airline rights; ship rights; clip rights; and all other distribution rights in and to the Picture (collectively, the “Rights”). The Rights also include, without limitation, the right to use, produce and exploit any special feature material (e.g., DVD special features and extras) in connection with the exploitation of the Picture. NEON acknowledges and agrees that the Rights as granted hereunder are subject to those limitations and/or restrictions expressly set forth in that certain agreement made as of March 21, 2019 and by and between Alan Elliott, Al’s Records & Tapes, and Licensor, on the one hand,

and the Estate of Aretha Franklin (the "**Franklin Estate**"), on the other, and its exploitation of the clip rights are further subject to music publishing licenses for applicable compositions.

## EXHIBIT "C"

SHORT FORM LICENSE*"Amazing Grace"*

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Licensor (as defined below) hereby licenses to Licensee (as defined below) and their respective successors, licensors and assigns, the Rights in and to the motion picture entitled "*Amazing Grace*" (the "Property") throughout the Territory during the Term, as set forth more fully in, and subject in all respects to, that certain acquisition agreement dated as of December 6, 2018 between Amazing Grace Movie, LLC ("Licensor") and NEON Rated, LLC ("Licensee") (as amended, supplemented or otherwise modified from time to time, the "Acquisition Agreement").

The undersigned hereby agrees to obtain or cause to be obtained renewals of all United States copyrights in and to said Property, whether or not referred to herein, and hereby assigns said rights under said renewal copyrights to Licensee; and should the undersigned fail to do any of the foregoing, the undersigned hereby appoints Licensee as attorney-in-fact, with full and irrevocable power and authority to do all such acts and things, and to execute, acknowledge, deliver, file, register and record all such documents, in the name and on behalf of the undersigned, as Licensee consistent with the Acquisition Agreement may deem necessary or proper in the premises to accomplish the same (which appointment is coupled with an interest and irrevocable).

Licensee is hereby empowered to bring, prosecute, defend and appear in suits, actions and proceedings of any nature under or concerning said copyrights or its renewals, or concerning any infringement thereof and particularly infringement of or interference with any of the rights licensed under said copyright or renewals in the name of the copyright proprietor in the Territory for the Term. Any recovery of damages or costs from such infringement or violation of any copyright or its renewals, so far as they arise from any violation of the rights hereby assigned in the Territory for the Term, is now assigned to and shall be paid to Licensee, to be accounted and disbursed between Licensor and Licensee as provided in the Acquisition Agreement.

This Short Form License is made pursuant to and is subject to the terms and conditions of the Acquisition Agreement. Unless otherwise specified, all capitalized terms herein shall have the same meaning as set forth in the Acquisition Agreement.

[Signatures to follow on the next page]

IN WITNESS WHEREOF, the parties have caused this Short Form License to be duly executed and delivered as of December 6, 2018.

ACCEPTED & AGREED

AMAZING GRACE MOVIE, LLC

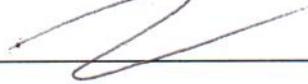
By:   
Alan Elliott

Its: Principal \_\_\_\_\_

Date: 6.24.19

ACCEPTED & AGREED

NEON RATED, LLC

By: 

Its: CEO / Founder

Date: 6/26/19

[PLEASE USE THE APPROPRIATE NOTARY FORM FOR THE APPLICABLE JURISDICTION]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )

County of Los Angeles )

On June 24<sup>th</sup> 2019 before me, Bhagya Fernando  
(Date) (Name of Notary)

personally appeared Alan Elliott  
(Name and Title of Signer)

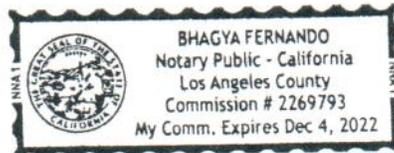
~~personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies); and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.~~

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]

(Seal)



[PLEASE USE THE APPROPRIATE NOTARY FORM FOR THE APPLICABLE JURISDICTION]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of New York )

County of New York )

On June 26, 2019 before me, Jessica Nickelsberg  
(Date) (Name of Notary)

personally appeared Tom Quinn, Founder/CEO of NEON Rated, LLC  
(Name and Title of Signer)

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of New York that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]

(Seal)



MORTGAGE OF COPYRIGHT FOR ACQUIRED DISTRIBUTION  
RIGHTS AND SECURITY AGREEMENT

*"Amazing Grace"*

Mortgage of Copyright for Acquired Distribution Rights and Security Agreement (this "Mortgage of Copyright") dated as of December 6, 2018 between Amazing Grace Movie, LLC ("Mortgagor") and NEON Rated, LLC ("Mortgagee"), relating to the feature-length theatrical motion picture currently entitled "Amazing Grace" (the "Film").

1. For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, for the Term and in the Territory as defined in the Agreement (as defined below), Mortgagor hereby assigns and grants to Mortgagee a mortgage of copyright and a security interest in and to the Rights (as defined in the Agreement) now owned or hereafter acquired by Mortgagor in and to the Film as defined and more fully set forth in and subject to that certain acquisition agreement dated as of December 6, 2018 between Mortgagor and Mortgagee, as the same may be amended or supplemented (the "Agreement") but solely to the extent required by Mortgagee to exploit the Rights throughout the Territory and during the Term, including, without limitation:

A. The Film, under whatever title the Film may be released, and all of the Rights therein and thereto, and all properties and things of value pertaining to the Rights, and all products and proceeds therefrom, whether now in existence or hereafter made, acquired, or produced;

B. All right, title, and interest of Mortgagor throughout the Territory and during the Term in, to, and under all agreements (whether now existing or hereafter to be entered into and whether or not evidenced in writing) for the development, production, completion, delivery, release, distribution, exhibition, leasing, licensing, broadcast, sale, reproduction, publicity, exploitation of the Film, or otherwise dealing with the Film, including, without limitation, all rights derived under contracts with writers, performers and others, including all rights derived pursuant to security agreements and mortgages of copyright with any person or entity with respect to the Film, including all accounts, contract rights, and general intangibles (as defined in the Uniform Commercial Code related thereto) and all products and proceeds thereof;

C. All rights of Mortgagor throughout the Territory and during the Term in and to the physical properties thereof (including without limitation all negative materials, prints, and soundtracks), and the copyrights (and all renewals and extensions) thereof and all rights therein and thereto and the proceeds therefrom; all rights in and to the literary material upon which the Film may be based, including, without limitation, the screenplay for the Film, and the copyrights (and all renewals and extensions) thereof and the proceeds therefrom; all rights in and to the music contained in the Film and the copyrights (and all renewals and extensions) therein and proceeds thereof; all rights to develop, produce, complete, deliver, release, distribute, exhibit, lease, license, broadcast, sell, reproduce, publicize, exploit, or otherwise deal with the Film and the Rights therein; and all insurance and insurance policies heretofore or hereafter obtained in connection with the Film and the proceeds thereof;

D. The continuing right to exercise the Rights in the Film throughout the Territory for the Term as granted to Mortgagee pursuant to the Agreement; and

E. All products and proceeds of all of the foregoing.

For the avoidance of doubt, enforcement by Mortgagee of the security interest shall not in and of itself relieve Mortgagee of any of Mortgagee's covenants, warranties or indemnities under the Agreement.

2. The foregoing security interest is a continuing security interest and is granted to secure (a) the performance by Mortgagor of Mortgagor's obligation to deliver the Film to Mortgagee under the Agreement; (b) Mortgagor's grant of the Rights in the Film to Mortgagee pursuant to the Agreement; and (c) the performance by Mortgagor of all of Mortgagor's material obligations, representations, warranties and covenants under the Agreement and subject to the terms thereof. With respect to this Mortgage of Copyright, upon material default by Mortgagor hereunder, Mortgagee and its successors and assigns shall have all of the rights, power, and privileges of a secured party under the New York Uniform Commercial Code, the United States Copyright Act, and all other applicable laws in force from time to time.

3. Each of Mortgagee and Mortgagor hereby agrees to authorize, execute or cause to be executed such further documents, instruments, and agreements (including recordation of UCC-1 Financing Statements) consistent with the Agreement upon being provided with an opportunity to review and comment on the same, provided Mortgagor responds within five (5) business days, consistent with this Mortgage of Copyright as Mortgagee may reasonably request in order to effectuate the terms of this Mortgage of Copyright, and Mortgagor hereby appoints Mortgagee as Mortgagor's attorney-in-fact with the full right and authority to do all acts and things permitted or contemplated by the terms hereof, including but not limited to executing and delivering any such documents or instruments consistent herewith which Mortgagor fails to execute and deliver to Mortgagee upon reasonable written request of Mortgagee. Mortgagee shall provide Mortgagor with a copy of all documents executed by Mortgagee as Mortgagor's attorney-in-fact, provided that any inadvertent failure by Mortgagee to do so shall not be deemed a breach of this Mortgage of Copyright. This appointment is coupled with an interest and shall be irrevocable. Upon expiration of the Term, if Mortgagor is not in material breach of the Agreement or the terms and conditions of this Mortgage of Copyright, Mortgagee shall release its security interest in the Rights and shall execute such further documents as reasonably required to release its lien. Effective upon the expiration of the Term, Mortgagee hereby appoints Mortgagor as Mortgagee's attorney-in-fact with the full right and authority to execute and deliver any such documents or instruments which Mortgagee fails to execute and deliver to Mortgagor upon written request of Mortgagor to effect such reconveyance and termination. Mortgagor shall provide Mortgagee with a copy of all documents executed by Mortgagor as Mortgagee's attorney-in-fact, provided that any inadvertent failure by Mortgagor to do so shall not be deemed a breach of this Agreement.

4. Without limiting the generality of the foregoing, the aforesaid conveyance and assignment includes with respect to the rights granted all prior choses-in-action, at law, in equity and otherwise, the right to recover all damages and other sums, and the right to other relief allowed or awarded at law, in equity, by statute or otherwise.

5. This Mortgage of Copyright is executed pursuant to and is subject to the terms and provisions of the Agreement.

6. This Mortgage of Copyright shall be governed by, and construed in accordance with, the laws of the State of New York, excluding (to the fullest extent a New York court would permit) any rule of law that would cause application of the laws of any jurisdiction other than the State of New York.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage of Copyright to be duly executed and delivered as of December 6, 2018.

**Amazing Grace Movie, LLC**

By:  \_\_\_\_\_

Name: Alan Elliott

Its: Principal

[PLEASE USE THE APPROPRIATE NOTARY FORM FOR THE APPLICABLE JURISDICTION]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )

County of Los Angeles )

On June 24<sup>th</sup> 2019 before me, Bhagya Fernando  
(Date) (Name of Notary)

personally appeared Alan Elliott  
(Name and Title of Signer)

~~personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.~~

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]

(Seal)



**SCHEDULE "1"**  
**UCC-1 FINANCING STATEMENT**  
**COLLATERAL DESCRIPTION**

DEBTOR(S):               **Amazing Grace Movie, LLC**

SECURED PARTIES:      **NEON RATED, LLC**

COLLATERAL: The "Collateral" covered by this Financing Statement is all of Debtor's right, title and interest of every kind and nature, but only for the "Term", "Territory" and media granted to Secured Parties (collectively the "Rights") as defined in and pursuant to the Agreement (as defined below), in and to the following, now owned or hereafter acquired or created, including all products and proceeds thereof, including, but not limited to insurance proceeds, but all only to the extent required by Secured Parties to exploit the Rights:

A.       The Picture, under whatever title the Picture may be released, and all of the Rights therein and thereto, and all properties and things of value pertaining to the Rights, and all products and proceeds therefrom, whether now in existence or hereafter made, acquired, or produced;

B.       To the extent required by Secured Parties to exploit the Rights, all right, title, and interest of Debtor throughout the Territory for the Term in, to, and under all agreements (whether now existing or hereafter to be entered into and whether or not evidenced in writing) for the development, production, completion, delivery, release, distribution, exhibition, leasing, licensing, broadcast, sale, reproduction, publicity, exploitation of the Picture, or otherwise dealing with the Picture, including, without limitation, all rights derived under contracts with writers, performers and others, including all rights derived pursuant to security agreements and mortgages of copyright with any person or entity with respect to the Picture, including all accounts, contract rights, and general intangibles (as defined in the Uniform Commercial Code related thereto) and all products and proceeds thereof;

C.       To the extent required by Secured Parties to exploit the Rights, all rights of Debtor throughout the Territory for the Term in and to the physical properties thereof (including without limitation all negative materials, prints, and soundtracks), and the copyrights (and all renewals and extensions) thereof and all rights therein and thereto and the proceeds therefrom; all rights in and to the literary material upon which the Picture may be based, including, without limitation, the screenplay for the Picture, and the copyrights (and all renewals and extensions) thereof and the proceeds therefrom; all rights in and to the music contained in the Picture and the copyrights (and all renewals and extensions) therein and proceeds thereof; all rights to develop, produce, complete, delivery, release, distribute, exhibit, lease, license, broadcast, sell, reproduce, publicize, exploit, or otherwise deal with the Picture and the Rights therein; and all insurance and insurance policies heretofore or hereafter obtained in connection with the Picture and the proceeds thereof; and

D.       The continuing right to exercise the Rights in the Picture throughout the Territory for

the Term as granted to Secured Parties pursuant to the Agreement;

- E. All products and proceeds of all of the foregoing.

This UCC Financing Statement is subject to the terms and conditions set forth in that certain acquisition agreement dated as of December 6, 2018 between Amazing Grace Movie, LLC and NEON Rated, LLC (as amended, supplemented or otherwise modified from time to time, the "Agreement") in connection with the motion picture currently entitled "*Amazing Grace*" (the "Picture"). All capitalized terms utilized herein and not otherwise defined shall have the same meaning as set forth in the Agreement.