

NAME OF COMPANY  
1501 Broadway, #1304  
New York, NY 10036

Dated as of September 27, 2017

[\*\*Investor\*\*]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: "NAME OF SHOW"

Dear \_\_\_\_\_:

This letter agreement confirms the agreement between [\*\* \_\_\_\_\_ \*\*] ("you") and (the "Company"), regarding the investment that you will make or cause to be made in the Company. The Company is the entity formed and managed by (the "Manager") to produce the Broadway production (the "Broadway Production") of, and to otherwise exploit the Company's rights in, the Musical. The parties agree that this instrument will be subject to the terms and conditions of the operating agreement of the Company (the "Operating Agreement"), a copy of which has been provided to you, and capitalized terms used herein, not otherwise defined, have the meanings given in the Operating Agreement.

1. Contribution.

(a) You agree to invest, or to cause to be invested, in the Company \_\_\_\_\_ (\$ \_\_\_\_\_) (the "Contribution") on or before such date(s) as the parties shall mutually agree after good faith consultation, but in no event later than [\*\* \_\_\_\_\_, 2017\*\*]. You agree to execute (or to cause Your Investors (as defined below) to execute) the signature page of the Operating Agreement authorizing immediate use of the Contribution upon its receipt by the Company waiving the right of refund, the subscription agreement, and any other documentation required of Investors. The percentage of the final capitalization of the Company that is represented by the Contribution hereafter is referred to as "Your Percentage." You may not increase the Contribution beyond the amount specified in this paragraph 1(a) without the Manager's written consent.

(b) If you elect to secure any portion of the Contribution from third parties ("Your Investors"), you shall be entirely responsible for any arrangements beyond what Your Investors would be entitled to receive as ordinary Investor members under the Operating Agreement. You warrant and represent that any investors you propose will be "accredited investors" pursuant to Rule 506 of Regulation D of the Securities Act of 1933, and you shall indemnify and hold harmless the Manager and the Company in connection therewith. Each of Your Investors will invest at least [\*\* \_\_\_\_\_ Dollars (\$ \_\_\_\_\_)\*\*], and there shall be no privity between any of Your Investors and the Manager or the Company except under the Operating Agreement. The Manager shall have the right to approve and reasonably reject investors proposed by you, including by reason of the Manager's good faith belief that a proposed investor is not an accredited investor or that acceptance of the investment would cause the Company to be in violation of any federal or state law. You agree that you will not supply any oral or written information to any prospective investors, nor make any representations regarding the substance of the offering or the Company, other than such written information as has been furnished by the Manager.

(c) The special benefits provided for in paragraph 2 below are conditioned on your full and timely payment of the Contribution. These special benefits are conferred solely on you and not

on any of Your Investors. Although you may share financial entitlements with Your Investors if you so choose, all other benefits are personal to you and may not be shared or assigned unless otherwise specified in this Agreement.

2. Participation. In consideration of the Contribution, you (and/or Your Investors) shall have a membership interest in the Company in the amount of the Contribution, with equal or ratable rights, preferences and privileges as all other Investors under the Operating Agreement. However, in addition to your rights under the Operating Agreement, as further consideration for your Contribution, the Company and the Manager agree as follows:

(a) In addition to the Adjusted Net Profits to which you are entitled under the Operating Agreement as an ordinary Investor member making an investment in the amount of the Contribution (the "Co-Producer Investor Share"), you shall receive an additional participation in Adjusted Net Profits paid out of the Manager's share of Adjusted Net Profits, at such time, if ever, as Adjusted Net Profits are paid to the Manager, in an amount equal to 14.28% of the Co-Producer Investor Share (representing a "1-for-7" deal), such shares payable, however, solely from the Manager's share of Adjusted Profits.

By way of example, if the Company is capitalized at \$7,500,000, and if the amount of your Contribution is the sum of \$150,000, then you (and, if applicable, your investors, in the aggregate) would be entitled to receive 1% of 100% (\$150,000 divided by \$7,500,000, and then multiplied by 50%) of the Adjusted Net Profits of the Company as your Co-Producer Investor Share. You also would be entitled to receive an additional 0.14% (i.e., 14.28% of 1%) of the Adjusted Net Profits of the Company payable from the Manager's share of Adjusted Net Profits.

All payments due to you out of the Manager's share of Adjusted Net Profits shall be defined, computed, paid and subject to recall at the same time and under the same terms and conditions as applied to the Manager. If you cause any portion of the Contribution to be made by third party investors as contemplated in paragraph 1(b), we shall treat such third party investors as ordinary Investors under the terms of the Operating Agreement, and we shall pay to you (and not to such investors) the supplemental share of Adjusted Net Profits to which you are entitled to pursuant to paragraph 2 (a) above in respect of their investments, which supplemental share of Adjusted Net Profits will be for you to retain or share with such investors as is agreed between you and them.

(b) You shall be entitled to invest Your Percentage of the capitalization of each additional company of the Musical that is controlled by the Manager or any affiliate of the Manager, and if you do so, you also will be entitled to receive the enhanced participation in Adjusted Net Profits you are deemed eligible for pursuant to paragraph 2(a). If an additional company of the Musical is licensed by the Company to a third party producer but is not controlled by the Manager or any affiliate of the Manager, then your right to invest will be limited to Your Percentage of the capitalization, if any, reserved for investment by the Manager, and you shall be entitled to regular investor terms on your investment. You must respond within ten (10) business days following notice to you of an opportunity to invest pursuant to this paragraph 2(b), accompanied by all available investment documentation, and your failure to respond within the applicable period shall be deemed a declination to invest. If you are given the opportunity to invest but decline to invest Your Percentage, you will have no further investment rights with respect to future production opportunities under the terms of this Agreement but will continue to have whatever rights are provided under the Operating Agreement.

(c) You will be entitled to triple slash name billing credit above the title. Your billing will appear in equal style, size, type and prominence to that of all other above the title co-producers, and such billing will be listed below or following the billing of the Manager (and its nominees, if

any) in descending order based on the amount contributed or caused to be contributed. If two or more Investors contribute or cause to be contributed the same amount, billing for such parties will be alphabetical. No casual or inadvertent failure to comply with the billing provisions of this Paragraph 2(c) shall be deemed a breach of this Agreement unless such failure can, but shall not, be rectified promptly (subject to the standard editing policies of Playbill or any other program publication) after written notice of said failure is received by the Company.

(d) You will have the right to attend key marketing meetings as designated by the Manager, it being understood that the Manager will make all final decisions.

(e) The Manager will cause the general manager and/or accountants for the Broadway Production to provide you with the same financial statements, box office statements, and other reports concerning the operations of the Broadway Production as are provided to Net Profit participants in the Broadway Production.

(f) For the official opening of the Broadway Production, you will be entitled to receive one pair of tickets in the orchestra (such ticket locations for your investors will be in the Manager's sole discretion and may be in side locations), plus one pair for each of your investors who invest at least \$50,000, each ticket accompanied by an opening night party invitation, all of the foregoing without cost to you. You acknowledge and agree that the theatre tickets made available hereunder cannot, except in accordance with the regulations promulgated by the Office of the Attorney General of the State of New York, be resold at a premium or otherwise, and that complete and accurate records must be maintained by you which may be inspected at reasonable times by a duly designated representative of the Manager and/or the Attorney General of the State of New York, with respect to the disposition of all tickets made available hereunder.

3. No Partnership or Joint Venture; Indemnification and Insurance. Under no circumstances will you be deemed to be a general partner, co-manager or joint venturer with the Manager solely by reason of this Agreement. You hereby agree not to hold yourself out to any third party as a general partner, co-manager or joint venturer by statements or actions (it being agreed that the billing credit and participation right provided for in paragraph 2 hereof shall not be construed as you holding yourself out in such fashion), and you agree not to purport to bind the Company or to act on its behalf. Your liability shall be limited to the amount invested and/or procured pursuant to 1(a) hereunder, and you shall be indemnified from and against additional liability resulting from this Agreement or otherwise in respect of the Broadway Production (other than as a direct result of your breach hereof, gross negligence or intentional misconduct).

4. Other Activities. You and the Manager shall each have the right to engage in other business activities during the continuation of this Agreement, including, without limitation, the production of other plays either alone, or in partnership with others, and nothing herein will obligate you or the Manager to make any such opportunities available to the other.

5. Arbitration. Any dispute arising out of, in connection with, or in relation to this Agreement or the making or validity or any breach thereof, or its interpretation, shall be determined and settled by arbitration before a single arbitrator in New York City, pursuant to the rules then obtaining of the American Arbitration Association. Any award rendered shall be final and conclusive upon the parties and a judgment thereunder may be entered in the highest court of the forum, state or federal, having jurisdiction.

6. Non-disparagement and Confidentiality.

(a) You agree that you (and, if applicable, the principals of your organization) will not at any time during or after the term of this Agreement make any disparaging, degrading, offensive or otherwise

negative remarks orally or in writing in any medium (including, but not limited to, social media) (collectively, a “Disparaging Statement”) about the Broadway Production, the Manager and/or the Company and their respective principals and affiliates, or their business practices, strategies or plans. In the event that in the opinion of the Manager, you (and, if applicable, any of your principals) have made a Disparaging Statement, Manager may send to you a written warning specifying same. In the event you (and, if applicable, any of your principals) makes what in the opinion of Manager is a Disparaging Statement or repeats the prior Disparaging Statement after receipt of the aforesaid official written warning you shall be deemed in breach of this Agreement. Upon such breach, any entitlements afforded you pursuant to this Agreement, other than your interest as an ordinary Investor which will remain unchanged (subject to the terms of the Operating Agreement), shall immediately terminate.

(b) You agree that you (and, if applicable, the principals of your organization) will not disclose any confidential, sensitive or non-public information obtained through the course of your involvement with any production of the Musical, including without limitation, any such information relating to any cast or creative team members engaged in connection with the Musical (including their families) or concerning the business, affairs or transactions of the Manager and/or the Company and their respective principals and affiliates, or any producer of the Musical or Investor in the Musical (or their families), including without limitation, the terms of this Agreement. You will not issue or authorize any publicity, or engage in any publicity activities, relating to the Musical without the prior, written approval of the Manager. Furthermore, you will not, and will not authorize any third party to (or provide information to any third party who intends to) disclose, post, upload or otherwise make available any information or materials relating to the Musical or any production thereof on or through the Internet or any social media service, including without limitation Facebook, Twitter, Instagram, personal websites, blogs and podcasts, without the prior written approval of the Manager.

7. Limitation on Sale or Transfer. Except as permitted by the Operating Agreement or the terms of this Agreement, you represent and warrant that you shall not sell, transfer, or assign your membership interest in the Company, and that you are acquiring such interest for investment purposes only and not with a view to the resale or distribution thereof. You further acknowledge that you are aware that no offering literature has been examined by the Attorney General of the State of New York or any other regulatory entity.

8. Governing Law. This Agreement is made in the City of New York and shall be governed and enforced in accordance with the laws of the State of New York applicable to contracts made and to be entirely performed therein. Subject to paragraph 5 hereof, the state and federal courts of New York shall have sole and exclusive jurisdiction over any disputes which arise hereunder.

9. Binding Agreement; Amendments In Writing. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective, administrators, legal representatives and successors, but shall not be assignable except upon the mutual written consent of the parties hereto, provided that the Manager may assign its rights hereunder, in whole or in part, to any corporation, joint venture, limited liability company, partnership or other entity in which the Manager and/or Ken Davenport is a controlling party. This Agreement may not be changed or modified except by an instrument in writing duly signed by the parties hereto.

10. Signatures. This agreement may be executed in counterparts, all of which counterparts, when taken together, shall constitute a complete agreement. Facsimile and electronic signatures or signatures conveyed by PDF shall have the same force and binding effect as original signatures.

11. Notice. All notices to either party hereunder shall be in writing and shall be deemed given when personally delivered, or when mailed by first-class mail or sent by facsimile transmission.

Notices by mail or by hand shall be given to the applicable party at the address given above or to such other addresses as they hereafter may specify by notice duly given. Copies of notices to the Manager also shall be sent to NAME OF LAYWER

12. Other Investors. Except as set forth in the following sentence, no party making an investment in the amount of, or less than, the Contribution will be accorded more favorable financial terms than those accorded to you hereunder. The foregoing, however, excludes the Manager and its affiliates, the theatre owner, investors who have provided developmental funding and an Investor who also provides or agrees to provide funding for one or more additional productions to be produced by the Manager or its affiliates within the next 24 months.

If the foregoing accurately sets forth our understanding, please sign below where indicated, and thereupon this will constitute a binding and enforceable agreement between us.

Yours truly,

NAME OF COMPANY

By: NAME OF MANAGER, Manager

By: \_\_\_\_\_  
Name: NAME on behalf of the  
Company and in his/her capacity as a  
manager of the Manager

Accepted and Agreed to:

[\*\*INVESTOR\*\*]

By: \_\_\_\_\_  
Name:  
Title: