ORIGINAL

VALLE MAKOFF LLP
JEFFREY B. VALLE (State Bar No. 110060)
SUSAN L. KLEIN (State Bar No. 115927)
NURITSA S. KSACHIKYAN (State Bar No. 221929)
11911 San Vicente Blvd., Suite 324
Los Angeles, California 90049
Telephone: (310) 476-0300
Facsimile: (310) 476-0333
jvalle@vallemakoff.com
sklein@vallemakoff.com
nksachikyan@vallemakoff.com

Attorneys for Defendant and Cross-Complainant
American Broadcasting Companies, Inc.

FILED
Superior Court of California
County of Los Angeles

MAR 07 2014

Sherri R. Carter, Executive Officer/Clerk
By Cristina Grijalva, Deputy
Cristina Grijalva

Fees paid on 6-4-15 $435.00

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

PROSPECT PARK NETWORKS, LLC, a Delaware limited liability company, Plaintiff, v. AMERICAN BROADCASTING COMPANIES, INC., a Delaware corporation; and DOES 1 through 10, inclusive, Defendants.	Case No. BC 506052 [Hon. Robert L. Hess, Dept. 24] CROSS-COMPLAINT BY AMERICAN BROADCASTING COMPANIES, INC. FOR BREACH OF CONTRACT
AMERICAN BROADCASTING COMPANIES, INC., a Delaware corporation., Cross-Complainant, v. PROSPECT PARK NETWORKS, LLC, a Del-aware limited liability company, Cross-Defendant.	

03/11/2014

Cross-Complainant American Broadcasting Companies, Inc. ("ABC") brings this Cross-Complaint against Prospect Park Networks, LLC ("Prospect Park") and alleges as follows:

PARTIES

1. Cross-Complainant ABC is a Delaware corporation that does business in Los Angeles, California.

2. Cross-Defendant Prospect Park is a Delaware limited liability company with its principal place of business in Los Angeles, California.

FACTUAL BACKGROUND

3. In April 2011, ABC cancelled the long-running soap operas *One Life to Live* ("OLTL") and *All My Children* ("AMC") due to falling ratings and high production costs. Seeing an opportunity, Prospect Park entered into a written License Agreement with ABC dated July 8, 2011 for certain exclusive rights to AMC and OLTL. A copy of the License Agreement, as amended, is attached hereto as Exhibit A.

4. Under the License Agreement, ABC granted Prospect Park an exclusive 12-month Option Period in which to obtain the rights to the formats of OLTL and AMC, including the titles, settings, characters, and music, and to begin production of new series of OLTL and AMC ("New Series"). The License Agreement reflects Prospect Park's expressed intent to produce new episodes of both series to exhibit on the internet.

5. Under the License Agreement, Prospect Park agreed that after it exercised its option and commenced production of a New Series, it would pay ABC guaranteed license fees (called Series Fees) for OLTL and AMC. The Series Fees for OLTL are $4 million for each of seasons 1-3, $4.5 million for each of seasons 4-6 and $5 million for each of seasons 7-15. The Series Fees for AMC are $4.5 million for each of seasons 1-3, $5 million for each of seasons 4-6 and $5.5 million for each of seasons 7-15.

6. The Series Fees are to be paid in equal monthly installments in arrears, *i.e.*, on the last calendar day of each month. The total Series Fees payable to ABC from Prospect Park over the term of the License Agreement exceed $145 million (and are in addition to payment to ABC of profit participation and merchandise distribution fees).

7. Prospect Park exercised its option in December 2012 for both OLTL and AMC and commenced principal photography in or around March 2013, triggering its obligation to pay the Series Fees for both series. The Series Fees for the first season alone total $8.5 million ($4 million for OLTL and $4.5 million for AMC).

8. Prospect Park paid ABC the Series Fees for both series for the months of April, May and June 2013, but it only paid the AMC Series Fees for July and August 2013. It has not paid any Series Fees since then, despite ABC's demand.

9. ABC sues to recover all unpaid Series Fees owed up to and through the date of the trial of this action as a result of Prospect Park's failure to pay in breach of the License Agreement.

FIRST CAUSE OF ACTION

(Breach of Written Contract)

10. ABC realleges and hereby incorporates by reference the allegations contained in Paragraph 1 through 9, as though fully set forth herein.

11. By engaging in the acts alleged above, Prospect Park has breached the License Agreement.

12. ABC has performed all of its obligations and satisfied all conditions under the License Agreement.

13. As a direct, legal and proximate cause of Prospect Park's breach of the License Agreement, ABC has suffered damages of not less than $5 million.

14. ABC is entitled to prejudgment interest on all outstanding amounts owed to it as of the time of the judgment in this action.

PRAYER FOR RELIEF

WHEREFORE, Cross-Complainant ABC prays for judgment in its favor and against Cross-Defendant Prospect Park as follows:

1. For compensatory damages according to proof at trial;
2. For costs of suit incurred herein;
3. For all recoverable prejudgment and post judgment interest; and

4. For such other and further relief as to the court may deem just and proper.

Dated: March 7, 2014

VALLE MAKOFF LLP

By: ______________________

Susan L. Klein
Attorneys for Defendant and Cross-Complainant
American Broadcasting Companies, Inc.

03/11/2014

EXHIBIT “A”

LICENSE AGREEMENT

THIS AGREEMENT (the "Agreement") is entered into as of July 8, 2011 and sets forth the terms and conditions pursuant to which American Broadcasting Companies, Inc. ("Licensor") and Prospect Park Networks, LLC ("Licensee") have reached an agreement by which the Licensee shall acquire the exclusive rights from Licensor in and to the formats for the series currently known as "All My Children" ("AMC") and "One Life To Live" ("OLTL") (i.e. including but not limited to format, title, settings, characters, characterizations and other such relative and ancillary rights as set forth is this Agreement ("Rights").

1. <u>OPTION PERIOD</u>: For good and valuable consideration, the receipt of which is hereby acknowledged, Licensee has an exclusive twelve (12) month option ("Option Period") in and to obtain the "Rights" (as defined below) in and to the format for each of AMC and OLTL. The Option Period shall commence as follows:

   a. AMC: Option Period Commences on October 1, 2011 and ends on September 30, 2012;

   b. OLTL: Option Period commences on February 1, 2012 and ends on January 31, 2013.

During the applicable Option Period(s), Licensee shall have the option to obtain the exclusive license in and to each of the format (i.e. including but not limited to format, title, settings, characters, characterizations and other such relative and ancillary rights as set forth in this Agreement of AMC and/or OLTL and to go into production on a series (each a "New Series") based on the rights granted herein ("Option Right"). Licensee must notify Licensor, in writing, that Licensee will begin production on the applicable series (AMC and/or OLTL) during the Option Period in order to exercise Licensee's Option Right herein. For avoidance of doubt, if Licensee fails to begin production on the applicable series during the Option Period, the Option Right lapses as to the New Series affected and, subject to Paragraph 8, below, all Rights revert back to Licensor.

2. <u>GRANT OF RIGHTS</u>:

   (a) On the condition that Licensee has exercised Licensee's applicable option pursuant to Paragraph 1, above, Licensor grants to Licensee exclusively all rights in and to the formats of AMC and OLTL that Licensor owns and/or controls for the Term, as defined below. The format rights are defined as all elements of AMC and OLTL and will include the frame work of each series within which the characters operate and which is intended to be repeated in each episode, the setting, characters, characterizations, scenes, themes, premises, plots, dialogues and general story lines pertaining to each series ("Rights"), subject so subparagraph 2(b), below. The physical sets and props are expressly excluded from Rights and are subject to Paragraph 7, below.

(b) Licensor's rights in and to the AMC format are limited to the ABC Territory (i.e., the United States, its territories and possessions, including without limitation, Puerto Rico). Licensor owns or controls all rights worldwide in and to OLTL.

(c) Agnes Nixon or a company owned or controlled by Agnes Nixon owns or controls foreign distribution rights of the library episodes and format for AMC, Live Stage, Motion Picture and Publishing rights worldwide in AMC.

(d) For avoidance of doubt, Licensor is not granting any rights in and to the existing library episodes of AMC or OLTL to Licensee pursuant to this Agreement, provided, however, that if Licensor offers to License the library episodes to a third party (this expressly excludes the renewal of licenses to Soapnet for as long as Soapnet is in existence)), Licensor shall first offer such deal to Licensee hereunder, after which Licensee shall have five (5) business days to accept such offer under the same financial, term and use restrictions. If Licensee does not respond within the five (5) business days, Licensee shall be deemed to have rejected the offer and Licensor shall be free to move forward with the third party deal, it being understood and agreed, however, that until the end of the "Term" (as defined below), that if Licensor receives an offer to license any right in and to the library episodes contained herein from another party, Licensor shall inform Licensee of such offer and the material financial terms of such offer. Licensee shall have five (5) business days to accept the terms outlined to license the library episodes contained within the third party offer on the same terms as presented to Licensee. If Licensee does not respond within the five (5) business days, or chooses to pass on the terms presented, Licensor shall be free to enter into the agreement with the other party with no further obligation to Licensee. The provisions of this Paragraph 2 shall apply to each additional offer, if any, received by Licensor until the end of the Term.

(e) Licensee shall be entitled to the use of a reasonable number of clips/excerpts from the library episodes of AMC and/or OLTL for the purposes of flashbacks in the New Series, subject to Licensee clearing said clip/excerpt and absorbing all costs associated with the use of said clip or excerpt including without limitation any and all residual payments for any and all applicable guilds (including without limitation AFTRA, SAG, WGA and DGA) and any music that may be included in the applicable clip or any third party material contained therein.

(f) Provided Licensee is not in breach hereunder, ABC shall grant to Licensee, a non-exclusive, gratis license to synchronize and use solely within episodes of the New Series produced by Licensee, the theme song from the AMC or OLTL and such score cues from the AMC or OLTL to the extent such cues are owned and controlled by ABC. In connection with the foregoing, Licensee hereby assumes all obligations related to the use of such music, including without limitation, obtaining all requisite consents and permissions of a applicable labor organizations, and paying all applicable new-use, re-use, and conversion payments required under the AFM, AFTRA and any other applicable collective bargaining agreement, and Licensee shall indemnify ABC from and against such obligations. ABC also grants Licensee gratis in-context promotional rights to the Series' music provided by ABC hereunder, but in no event shall Licensee have any audio-only rights. Licensee warrants and represents that the streaming, broadcast or other exhibition of the New Series in the United States is subject to the internet site, broadcasting or other exhibiting entity having current performance licenses therefore from all applicable performing rights societies (i.e., ASCAP, BMI, or SESAC). The exploitation of the New Series in countries or territories outside the United States is subject to clearance by performing rights societies in accordance with their customary practices and the payment of their customary fees.

3. TERM: On the condition that Licensee has exercised Licensee's option pursuant to Paragraph 1, above, and Licensee has begun production of a New Series, as applicable, then Licensee shall have the exclusive right to produce up to fifteen (15) seasons of each of the New Series, as applicable ("Term"). Licensee shall have the perpetual and worldwide right, subject to limitations outlined in 2(c), above, to distribute, exploit and turn to account all episodes and rights in the New Series produced by Licensee.

4. SERIES FEES: If Licensee produces one or more New Series based on the Rights licensed herein, Licensee shall pay Licensor the following guaranteed fees for each such New Series:

(i) AMC:

Season 1 – Season 3: Four Million Five Hundred Thousand Dollars ($4,500,000) per season.

Season 4 - Season 6: Five Million Dollars ($5,000,000) per season.

Season 7 – Season 15: Five Million Five Hundred Thousand Dollars ($5,500,000) per season.

(ii) OLTL:

Season 1 – Season 3: Four Million Dollars ($4,000,000) per season.

Season 4 – Season 6: Four Million Five Hundred Thousand Dollars ($4,500,000) per season.

Season 7 – Season 15: Five Million Dollars ($5,000,000) per season.

All payments pursuant to this Paragraph 4 are guaranteed at the commencement of principal photography on the applicable season of each New Series. As used herein, "season" shall mean twelve (12) calendar month period commencing on the initial exhibition of the first episode of the applicable New Series. All fees hereunder are payable in equal monthly installments in arrears (i.e. on the last calendar day of the month in question) for each year of the Term for each New Series, as applicable. In addition to the compensation outlined above, in the event Licensee shall produce a sequel, spin-off or other derivative work ("Derivative Work") based in any part on the rights granted herein, Licensor shall receive an additional Seven Thousand Five Hundred Dollars ($7,500) per episode (per strip if Derivative Work is produced as a strip) or, for each episode produced for the life of the each and every derivative work if such derivative work has a production budget of greater than One Hundred Fifty Thousand Dollars ($150,000) per episode (or strip if such Derivative Work is produced as a strip), if such production budget is One Hundred Fifty Thousand Dollars or less, such fee shall be Five Thousand Dollars ($5,000) per episode (or per strip if such Derivative Work is produced as a strip). For avoidance of doubt, Licensee may not produce a Derivative Work in the place of or instead of a New Series, hereunder. In addition, all rights in and to all elements that may be contained within the Derivative Work that are part of the rights granted herein shall be subject to and governed by the reversion rights as outlined in Paragraph 7 below, it being understood and agreed that if the rights granted herein that enable Licensee to produce the New Series revert, all such rights contained within the Derivative Work shall revert concurrently.

5. PROFIT PARTICIPATION. Licensor shall be entitled to ten percent (10%) of one hundred percent (100%) of the adjusted defined receipts ("ADR") earned by Licensee in connection with the exploitation of each New Series, as applicable. The following items will be recouped by Licensee in the following order of priority out of Gross Receipts: (i) a distribution fee of 15%; (ii) actual, out-of-pocket, distribution costs; (iii) the production costs for each applicable New Series plus interest on unrecouped production costs at the prime rate of interest plus an overhead fee in an amount of 15% of the total production cost of each New Series and (iv) third party participations of every kind or nature payable to persons granting rights or rendering services on the applicable New Series. Licensee shall not be entitled to deduct any costs other than those set forth herein. The New Series will not be cross collateralized for purposes of this Paragraph 5 and no abandonment charges, over-budget penalties, or the cost of term deals will be charged to the budget. Notwithstanding the foregoing, each New Series may separately cross between years of the same New Series for purposes of this Paragraph 5. Licensor's profit participation shall be further defined by Exhibit "A" attached hereto and incorporated herein by this reference and the rider thereto. Licensor's participation herein will be separately accounted from any and all merchandising revenue. Licensor hereby acknowledges that an executive producer fee of Twenty Thousand Dollars

03/11/2014

($20,000) per episode, in the aggregate, shall be payable to Rich Frank and/or Jeff Kwatinetz (or their successors as designated by the Licensee) as a cost of production, increasing by three percent (3%) in each subsequent season of the applicable New Series.

6. MERCHANDISING. Licensor or an affiliate of Licensor shall control the merchandising/merchandise licensing rights in and to each New Series, as applicable, produced by Licensee hereunder, if any. In each instance, Licensor shall receive a Twenty Percent (20%) distribution fee, recoup out of pocket distribution costs (including without limitation any royalties or participations to talent) and pay eighty-five percent (85%) of the remainder to Licensee. Licensee shall have approval over the article or product that is subject of the license and any third party contract for same, which approval shall not be unreasonably withheld.

7. REVERSION. All rights granted herein shall revert back to Licensor as follows:

(a) If Licensee fails to exercise its Option pursuant to Paragraph 1, above within the twelve (12) month Option Period, or Licensee exercises said option, but fails to go into production on a New Series within the Option Period, all Rights granted herein shall revert at the end of the Option Period, as applicable; or

(b) If Licensee exercises its applicable options hereunder and goes into production on a New Series, but at some point during the Term ceases to produce new episodes of the New Series for a period of eighteen (18) consecutive months, then all rights granted herein, but not to the episodes of the New Series or rights therein (which Licensee shall have the perpetual right to distribute, exploit or turn to account, subject at all times to the limitations set forth in paragraph 2(c), above), shall revert to Licensor Eighteen (18) months following production of the last original episode of the applicable New Series; or

(c) If Licensee has produced episodes of the applicable New Series for the full Term of this Agreement, all Rights granted herein, but not t to the episodes of the New Series episodes, shall revert back to Licensor at the end of the Term.

For purposes of reversion, each format and each New Series is treated separately.

8. First Negotiation/First Refusal. On the condition that Licensee has produced episodes of a New Series based on the Rights granted herein for the full Term of this Agreement, then at the end of the Term, Licensee shall have a right of first negotiation with Licensor to renew this Agreement under terms that are mutually agreed upon. Licensee must exercise this right of first negation by notifying Licensor, in writing, a

minimum of ninety (90) days prior to the end of the Term herein indicating that Licensee would like to begin negotiations to renew this Agreement. Licensee and Licensor shall then enter into an exclusive negotiation period for a period of Forty-Five (45) days ("Exclusive Negotiation Period") to negotiate a new agreement. If at the end of the Exclusive Negotiation Period no agreement has been reached, Licensor will then be free to negotiate with any other party to grant the Rights contained in this Agreement it being understood and agreed, however, that until the end of the Term, that if Licensor receives an offer to license the Rights contained herein from another party, Licensor shall inform Licensee of such offer and the material financial terms of such offer. Licensee shall have five (5) business days to accept the terms outlined to renew this Agreement on the same terms as presented to Licensee. If Licensee does not respond within the five (5) business days, or chooses to pass on the terms presented, Licensor shall be free to enter into the agreement with the other party with no further obligation to Licensee. If Licensor does not enter into said agreement with the third party, the provisions of this Paragraph 9 shall apply to each additional offer, if any, received by Licensor until the end of the Term.

9. GENERAL HOSPITAL. On the condition that Licensee has successfully launched at ~~least one~~ (1) New Series and such New Series is in active production at the time, if ever, that the ABC program currently entitled "General Hospital" ("GH") becomes available off of the ABC Daytime programming schedule, then Licensor shall license the GH format to Licensee under substantially the same deal terms as are contained herein for the format for AMC and General Hospital will be deemed a New Series hereunder, and Licensee hereby acknowledges and will assume any financial obligation to the Hursley Family and any and all guild, creator or royalty requirements in connection with continuing the production of General Hospital hereunder should this provision be become applicable.

10. REPRESENTATIONS AND WARRANTIES.

(a) LICENSOR's Representations and Warranties. LICENSOR's represents and warrants as follows:

(i) LICENSOR has and will continue to have the full right, power and authority to enter into this Agreement, perform fully all of its obligations hereunder and grant LICENSEE all rights granted or to be granted hereunder; and LICENSOR has not entered into, and will not enter into, any agreement, obligation or liability that might interfere with the performance of its obligations hereunder;

(ii) To the best of Licensor's knowledge, there are, and will on delivery be, no claims, liens or encumbrances of any nature affecting a New Series, or any part(s) thereof;

(iii) LICENSOR has not entered into, and will not enter into, any agreement which is inconsistent with any of the provisions of this Agreement, and will not exercise any right or take any action or license or authorize any other person to exercise any right or take any action or license which conflicts with or might prejudice or derogate from the rights herein granted to LICENSEE; and

(b) LICENSEE's Representations and Warranties. LICENSEE represents and warrants as follows:

(i) LICENSEE has and will continue to have the full right, power and authority to enter into this Agreement, perform fully all of its obligations hereunder and grant LICENSOR all rights granted or to be granted hereunder; and LICENSEE has not entered into, and will not enter into, any agreement, obligation or liability that might interfere with the performance of its obligations hereunder;

(ii) All of the materials (the "LICENSEE Materials") that LICENSEE has contributed or will contribute to the Series, shall be original with and/or controlled by LICENSEE except to the extent that they are based upon materials supplied by LICENSOR or in the public domain, and such LICENSEE Materials will not (nor shall the exploitation by either party thereof) violate, conflict with or infringe upon any rights whatsoever of any person or entity;

(iii) LICENSEE has or will obtain all necessary consents, grants, licenses and rights to enable each party hereto to exploit the rights in the New Series as provided for herein, including without limitation the payment of any royalties that may be due and paying pursuant to any guild or pre-existing contractual requirement, including agency commissions, if applicable, for the production of the New Series;

(iv) There are, and will on delivery be, no claims, liens or encumbrances of any nature which will adversely affect Licensor's rights in the New Series, or any part(s) thereof;

(v) The New Series shall not violate or infringe any copyright, patent, trademark, trade name or contract, property or personal rights or right of privacy or other right of any person or constitute an act of unfair competition;

(vi) LICENSEE has not entered into, and will not enter into, any agreement which is inconsistent with any of the provisions of this Agreement, and will not exercise any right or take any action or license or authorize any other person to exercise any right or take any action or license which conflicts with or might prejudice or derogate from the rights herein granted to LICENSOR; and

(viii) LICENSEE has or will comply with all applicable laws, regulations, ordinances and collective bargaining agreements, to which it is a party.

11. INDEMNITIES.

(a) LICENSOR's Indemnities. Licensor shalldefend, indemnify, and hold harmless LICENSEE and its parent, subsidiary, affiliated and related companies, and the directors, officers, agents and employees of each of the foregoing from and against any and all claims and causes of action, losses, costs, expenses including reasonable attorneys' fees, damages, judgments and/or liabilities resulting from: (i) any breach or alleged material breach by LICENSOR or any of its representatives of any of LICENSOR's representations, warranties or agreements hereunder; (ii) any third party's claim to an amount payable hereunder which is the responsibility of LICENSOR; (iii) the exploitation of the LICENSOR'S version of AMC and/or OLTL.

(b) LICENSEE's Indemnities. Except to the extent LICENSOR's warranties and indemnities herein apply, LICENSEE shall defend, indemnify, and hold harmless LICENSOR and its parent, subsidiary, affiliated and related companies, and the directors, officers, agents and employees of each of the foregoing from and against any and all claims and causes of action, losses, costs, expenses including reasonable outside attorneys' fees, damages, judgments and/or liabilities resulting from: (i) any material breach or alleged material breach by LICENSEE or any of its representatives of any of LICENSEE's representations, warranties or agreements hereunder; (ii) any third party's claim to an amount payable hereunder which is the responsibility of LICENSEE (iii) for the exploitation of the New Series hereunder.

(c) Each party hereto will, upon receipt of the presentation of any claim or notification of the institution of any action with respect to which indemnification might be required hereunder, promptly notify the other of the presentation of such claim or the institution of such action. LICENSOR will have the absolute right but not the obligation to control the litigation or other resolution of any claim, demand or action to which any defense or indemnity under this paragraph applies; provided, however, that LICENSOR will not settle any such claim, demand or action without LICENSEE's approval (not to be unreasonably withheld or delayed), in the event such settlement is solely the payment of money to claimant and indemnitee receives a full release of claims from claimant, such settlement would be deemed approved hereunder; provided, however, that for claims, demands, or actions relating solely to LICENSEE's production of episodes of the New Series, LICENSEE shall control such litigation (in consultation with LICENSOR) but will not settle any such claim, action or demand without LICENSOR's approval (not to be unreasonably withheld or delayed).

(d) Neither the omission by LICENSOR or LICENSEE to exercise any right of such party hereunder, nor the expiration or termination of this Agreement, nor the election by LICENSOR or LICENSEE to participate in or conduct the defense of any claim or action hereunder shall impair, modify or discharge any of the warranties, representations, indemnities or other obligations of LICENSOR or LICENSEE contained in this Agreement.

12. ASSIGNMENT. Neither party may assign or license any of its rights or delegate any of its duties hereunder, in whole or in part, except to such party's parent company or affiliate or entity which aquires, all or substantially all of the stock or assets of a party, or to a party's distribution affiliates pursuant to the terms of this Agreement.

13. NOTICES. Licensor and Licensee's respective addresses for notice purposes will be as follows:

To Licensee: Prospect Park
2049 Century Park East
Suite 2250
Los Angeles, California 90067
Attention: Jeff Kwatinetz

Courtesy Copy to:
Del Shaw Moonves Tannaua Finkelstein & Lezcano
2120 Colorado Avenue
Suite 200
Santa Monica, California 90404
Attention: Abel M. Lezcano, Esq. and
Jeffrey S. Finkelstein, Esq.

To Licensor: 500 South Buena Vista Street
Burbank, California 91521-3903
Attention: Vice President
Business Affairs
Fax: (818) 560-5991

All such notices will be sufficiently given when the same are delivered in person, or deposited so addressed, postage prepaid in the mail, or when such notice has been faxed or emailed (if faxed, the sender must obtain electronic confirmation of the fax transmission being successfully completed), and the date of said personal delivery, 3 days after the date of such mailing, or the date of email or faxing will be deemed to be the date of the giving of such notice.

14. FORCE MAJEURE. In the event of a force majeure occurrence (as that term is understood in the television industry, including, without limitation, acts of war, or armed conflict, acts of god, fire, earthquake, flood or other natural disasters, acts of terrorism, a riot, civil disturbance, Series cancellation, and/or illness, disability or death of key Series personnel) or if either parties' normal business operations are hampered or otherwise interfered with by reason of an event of force majeure, and/or by virtue of any other disruptive event (including, but not limited to, lock-out, boycott, or other labor controversy, or strike or threat thereof) which is beyond either parties' control, as applicable, either party, as the case may be, shall have the right to suspend the Agreement and shall have the right, but not the obligation, to extend the Agreement by up to six(6) weeks, or to shorten the length of this Agreement by the length of any such suspension.

15. GENERAL. No waiver by either party of any term or condition of this Agreement will constitute a waiver by the applicable party of any other term, condition or default. Each and all of the several rights and remedies provided in this Agreement or by law or in equity will be cumulative, and no one of them will be exclusive of any other right or remedy. In the event that there is any conflict between any provision of this Agreement and any statute, law, regulation or any applicable collective bargaining agreement, the latter will prevail; provided, however, that in such event, the provision(s) of this Agreement so affected will be curtailed and limited only to the minimum extent necessary to permit compliance with the requirement(s) of such statute, law, regulation or agreement, and all other provision(s) will continue in full force and effect. This Agreement supersedes any and all prior agreements, negotiations and communications with respect hereto, and may not be modified except by an instrument in writing signed by the parties hereto. This Agreement will be governed and construed in accordance with the internal laws of the State of California applicable to contracts wholly negotiated, executed and performed therein.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

ABC ENTERTAINMENT

By: [signature]

Its: Vice President SA

PROSPECT PARK

By: [signature]

Its: CEO

Rider to Adjusted Defined Receipts Definition.

PROFIT PARTICIPATION

Distribution Expenses

1) Neither Licensee nor its authorized representatives shall be entitled to charge any overhead (including the fees of any subdistributors or sales agents and/or interest on any costs, charges, expenses and other items ("Distribution Items") incident to the distribution, sale, marketing or other exploitation of the Series. In addition, no Distribution Items should be deducted from gross receipts or

otherwise unless income derived from such item is or would be included in gross receipts.

2) The words "actual, direct" should always precede the words "costs "in any definition of Distribution Expenses, and said Distribution Expenses should only apply to those expenses "actually paid" by Licensee. Notwithstanding the forgoing, Licensee may allocate a cost to a New Series which may be a cost that is shared by more than one New Series hereunder.
3) There shall be no double deductions of any kind (e.g. distribution expenses or productions costs shall only be deducted once).
4) With regard to computing the U.S. dollar equivalent of any Distribution Items paid by Licensee or its representatives in foreign currency, Licensee shall use the same U.S. dollar equivalent in computing gross receipts for the accounting period involved.
5) If Licensee receives any proceeds from insurance due to force majeure or any other events relating to the production of the Series, such proceeds should be applied as a reduction in the production cost of the Series without application of any distribution or other fees and should not be treated as gross receipts.
6) There may not be deductions for costs, expenses, charges, etc. in any context where insurance covers and pays for such costs except that premiums for such insurance are deductable.. If an item has been deducted prior to recovery and/or reimbursement and/or coverage by insurance, the amount of such deduction, once paid or recovered by insurance, should be applied as a reduction of the production cost of the Series.
7) All allocations made by Licensee and/or its representative should be reasonable and made in a manner consistent with U.S. television industry custom and practice.
8) All costs/expenses must be actual, direct (if use third party they can charge customary rates), out-of-pocket and payable to unrelated third parties (no imputed charges [other than overhead charge on production costs as specifically set forth above] on the distribution or production side). Furthermore, all costs/expenses must be directly related to the Series.
9) No item charged as a production cost shall be charged again as a distribution cost, and vice versa.
10) All rights granted in connection with the Series need to be entered into on an arm's length basis, consistent with U.S. television industry custom and practice, and Licensee shall use all commercially reasonable efforts to maximize income in connection with the distribution and exploitation of the Series.

Distribution Advances

1) All advance payments, guarantees and security deposits irrevocably received, earned or forfeited to or by the Licensee and/or its authorized representatives (e.g., a sales agent) from all sources shall be included in gross receipts in the quarter in which such payments are irrevocably received or credited, forfeited or applied to the Series, subject to later adjustment if any of these payments must be returned in whole or in part.

2) The receipts by Licensee or its representative of any returnable advance shall stop the accrual of interest (if and to the extent applicable) on the deficit for the Series until such time, if ever, that any portion of such advance is actually returned.

Gross Receipts

1) Gross receipts shall include all sums received by Licensee and derived from the Series or any and all related or ancillary or subsidiary rights in, to or with respect to the Series in any medium now known or hereafter devised.

Other Participations

1) ABC's participation should be defined, accounted for and paid in a manner no less favorable, taken as a whole, than any other participation that is granted in connection to persons or entities granting rights or rendering services of the Series.

Cost of Production

1) Licensee may not deduct as a cost of production any or all of an unrecouped guarantee set forth in an overall or term deal of any participant that might render services on the Series. Only fees and costs directly associated with the Series should be charged as a cost of production – and no allocation of unearned guarantees should be charged against ABC's participation. There shall be no cross collateralization between or among each New Series, and ABC must not be charged any "abandonment penalties," "over budget add back" or similar charges in connection with the Series. Licensee may not charge any advance, deferment, participation or any other contingent amount payable to a third party as a cost of production.

Accounting Records

1) Licensee will keep and maintain complete books and records of account for the Series and shall maintain all vouchers, exhibition, distribution and production contracts and similar records relating to the Series which support such books of account (e.g., Licensee must keep all source data for its statements).
2) Licensee will furnish ABC with yearly participation statements, commencing the December 31st of the year following the commencement of the 2nd broadcast season. Each 12 month period thereafter will constitute a separate accounting period.
3) Licensee must liquidate all reserves within 6 months, unless a claim is pending, in which event reserves may be maintained pending resolution of such claim.
4) ABC shall have 36 months from receipt of any statement furnished by Licensee in which to object. This time period will be extended to a period equal to any period of time during which an examination of Licensee's books and records is

occurring, plus, if there are less than 12 months remaining in the period provided, an addition 12 months. If the objections are raised timely, but not resolved, ABC may initiate a claim with respect to such objections at any time prior to the expiration of the applicable jurisdiction's statute of limitations.

The following changes shall be made to the Adjusted Defined Receipts Exhibit ("ADRE"). The paragraph numbers below match those in the ADRE:

In Paragraph I insert the following subparagraph:

In subparagraph A. delete "or any sales agent or subdistributor" in line 2.

In subparagraph A. insert the following after the "." "Where Licensee grants distribution rights to a subdistributor, agent or other person (a "subdistributor") on a basis requiring an accounting to Licensee, Licensee's share (actually received) of the gross receipts received by the subdistributor shall be deemed "gross receipts" hereunder, subject to a ten percent (10%) commission to Licensee. For purposes of illustration, if the subdistributor's gross receipts are One Hundred Dollars ($100), distribution expenses are Ten Dollars ($10) and the subdistributor is entitled to Ten Percent (10%) distribution fee, then Licensee's net receipts are Seventy Dollsars ($70) and it is entitled to a Ten Percent (10%) commission ($7) on such net receipts, rather than a Fifteen Percent distribution fee minus the distribution fee payable to the subdistributor."

D. Third-Party Participations

In Paragraph II:

In subparagraph 1 insert "(excluding merchandise, which shall be calculated in a separate pot)" in line 6 after "Rights".

In subparagraph 5 delete the word "merchandise from line 1.

In Paragraph III:

In subparagraph A delete "semi-annually for a period of one year" in the fourth line and replace with "annually".

In subparagraph A delete "and thereafter on an annual basis" from line 7.

In subparagraph B delete "twice" in line 13 and replace with "once".

In subparagraph B insert "or New York City, New York" in line 15 after the word "County" and before the "."

In subparagraph B delete "60" in line 19 and replace with "30".

In Paragraph IV:

In subparagraph A insert the following at the end of the subparagraph before the ".": "or fairly allocable".

In subparagraph D insert the following at the end of the subpargarph: "Notwithstanding the forgoing, Licensee may cross between years of the same New Series."

Delete subparagraph F completely.

As of January 25, 2012

Prospect Park
C/O
Del, Shaw, Moonves, Tanaka, Finkelstein & Lezcano
2120 Colorado Avenue
Suite 200
Santa Monica, California 90404

Attention: Abel M. Lezcano, Esq. and
Jeffrey S. Finkelstein, Esq.

RE: First Amendment Prospect Park License Agreement

Dear Mr. Lezcano:

Reference is hereby made by this amendment (the "Amendment") to that certain executed agreement dated as of July 8, 2011 between American Broadcasting Companies, Inc. ("Licensor") and Prospect Park Networks, LLC ("Licensee") by which the Licensee shall have the option to acquire the exclusive rights from Licensor in and to the formats for the series currently known as "All My Children" ("AMC") and "One Life To Live" ("OLTL") (the "Agreement").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, this letter shall confirm that Licensor and Licensee hereby agree to modify and further amend the Agreement as follows:

1. In Paragraph 1 of the Agreement entitled "Option Period", in subparagraph 1 (a), delete "and ends on September 30, 2012" and replace with "and ends on January 31, 2013."

The following new provisions are hereby incorporated into the Agreement:

2. <u>ONE LIFE TO LIVE CHARACTERS ON GENERAL HOSPITAL</u>: Licensee hereby grants Licensor the right to use certain characters from the program currently entitled "One Life To Live" ("OLTL"), identified below, on Licensor's television program currently entitled "General Hospital" ("GH") during the Term of the Agreement. The Characters subject to this Paragraph 1, are as follows:

   a. Todd Manning
   b. Blair Manning
   c. Starr Manning
   d. John McBain
   e. Cole Thornhart
   f. Hope Thornhart
   g. Tea Delgado

3. Licensor's use of the OLTL characters as identified in Paragraph 2, above, are subject to the following restrictions:

   a. Licensor hereby agrees that on the condition that Licensee notifies Licensor, in writing, that Licensee intends to exercise its applicable option to acquire the rights in and to OLTL pursuant to Paragraph 1 of the Agreement, Licensor will discontinue writing the OLTL characters into the GH storyline within forty-five (45) days or receipt of said notice.

   b. Licensor hereby agrees that Licensor will consult with Licensee in connection with the story lines for the OLTL characters on GH and will seek Licensee's approval if Licensor desires to change an element in connection with a character that is considered "canon" for OLTL.

   c. Licensor hereby agrees to forgive Twenty-Two Thousand Five Hundred Dollars ($22,500) of the money Licensee owes Licensor in connection with the writing for both OLTL and AMC and the storage of the sets for AMC.

By their signatures appearing below, the parties hereby consent to and agree to this Amendment. To the extent this Amendment conflicts with the Agreement, this Amendment shall govern, and the parties hereby ratify the Agreement as now amended.

American Broadcasting Companies, Inc.

By:

Its:

PROSPECT PARK NETWORKS, LLC

By:

CEO

Its:

As of December 20, 2012

Prospect Park
C/O
Del, Shaw, Moonves, Tanaka, Finkelstein & Lezcano
2120 Colorado Avenue
Suite 200
Santa Monica, California 90404

Attention: Abel M. Lezcano, Esq. and
Jeffrey S. Finkelstein, Esq.

RE: Second Amendment Prospect Park License Agreement

Dear Mr. Lezcano:

Reference is hereby made by this amendment (the "Second Amendment") to that certain executed agreement dated as of July 8, 2011, as amended, between American Broadcasting Companies, Inc. ("Licensor") and Prospect Park Networks, LLC ("Licensee") by which the Licensee shall have the option to acquire the exclusive rights from Licensor in and to the formats for the series currently known as "All My Children" ("AMC") and "One Life To Live" ("OLTL") (the "Agreement").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, this letter shall confirm that Licensor and Licensee hereby agree to modify and further amend the Agreement as follows:

1. In Paragraph 1 of the Agreement entitled "Option Period", in subparagraph 1 (a), delete "and ends on September 30, 2012" and replace with "and ends on February 28, 2013." In addition, in Paragraph 1 of the Agreement entitled "Option Period", in subparagraph 1 (b) delete "and ends on January 31, 2013" and replace with "and ends on February 28, 2013."

Signature lines on following page

By their signatures appearing below, the parties hereby consent to and agree to this Second Amendment. To the extent this Second Amendment conflicts with the Agreement or with the first Amendment, this Second Amendment shall govern, and the parties hereby ratify the Agreement as now amended.

American Broadcasting Companies, Inc.

By: ____________________

Its: Vice President BA

PROSPECT PARK NETWORKS, LLC

By: ____________________

CEO

Its:

As of February 15, 2013

Prospect Park Networks, LLC
C/O
Del, Shaw, Moonves, Tanaka, Finkelstein & Lezcano
2120 Colorado Avenue
Suite 200
Santa Monica, California 90404

Attention: Abel M. Lezcano, Esq. and
Jeffrey S. Finkelstein, Esq.

RE: Third Amendment - Prospect Park License Agreement

Dear Mr. Lezcano:

Reference is hereby made by this amendment (the "Third Amendment") to that certain executed agreement dated as of July 8, 2011, as amended, between American Broadcasting Companies, Inc. ("Licensor") and Prospect Park Networks, LLC ("Licensee") by which the Licensee shall have the option to acquire the exclusive rights from Licensor in and to the formats for the series currently known as "All My Children" ("AMC") and "One Life To Live" ("OLTL") (the "Agreement").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, this letter shall confirm that Licensor and Licensee hereby agree to modify and further amend the Agreement as follows:

1. In Paragraph 1 of the Agreement entitled "Option Period", in subparagraph 1 (b) delete "and ends on February 28, 2013" and replace with "and ends on March 30, 2013."

2. ONE LIFE TO LIVE CHARACTERS ON GENERAL HOSPITAL: Licensee hereby grants Licensor the continued right to use certain characters from the program entitled "One Life To Live" ("OLTL"), identified below ("Characters"), on Licensor's television program currently entitled "General Hospital" ("GH") during the Term of the Agreement. The Characters subject to this Paragraph 2 of the Third Amendment are as follows:

   (i) Todd Manning
   (ii) Starr Manning
   (iii) John McBain

3. Licensor's use of the OLTL Characters as identified in Paragraph 2, above of this Third Amendment, are subject to the following restrictions:
   (i) Licensor hereby agrees that Todd Manning and Starr Manning will be "off-air" from GH for a period of time beginning April 15, 2013 and John McBain will be "off-air" from GH for a period of time beginning June 1, 2013.

(ii) Licensor hereby acknowledges that the use of the Characters listed in Paragraph 2, above, of this Third Amendment, is contingent on Licensee engaging the actors that currently portray those characters on GH to appear in the Licensee's New Series, (as defined in the Agreement). If Licensee does not engage said actor(s) to portray said Characters on Licensee's New Series, then as to the particular character that that actor portrayed, Licensor's rights in and to that character will revert to the arrangement pursuant to the Agreement prior to the Third Amendment (for avoidance of doubt, for the character(s) portrayed by any such actor not engaged by Licensee, Licensor may not use such character(s) on GH, unless further approved by Licensee in writing). Licensor and Licensee shall use good faith efforts to coordinate story lines for the movement of the characters from the New Series to GH and back again, if and as applicable.

(iii) Subject to the terms and conditions set forth herein, Licensee hereby acknowledges that Licensor may use the Characters subject to Paragraph 2, above, following the conclusion of their services on the New Series for the 2013 season, through the end of March of 2014; provided that, Licensor agrees that Licensor will consult with Licensee in connection with the story lines for the Characters on GH and will seek Licensee's approval if Licensor desires to change any material element in connection with the Characters.

(iv) Licensee shall give Licensor reasonable notice of when the Characters must be "off-air" from GH for the 2014 production of the New Series acknowledging that there is an approximately eight (8) week lag between writing an episode and the air date of an episode.

4. The parties acknowledge and agree that notwithstanding anything in the Agreement to the contrary, the "Rights" (as that term is defined in the Agreement) licensed to Licensee pursuant to the Agreement, include the exclusive right to compile, manufacture, distribute, sell and market throughout the world in any and all media now or hereafter known, so-called "soundtrack albums," branded compilations, branded playlists (including any digital only playlist) and other similar recordings, interactive media or electronic transmissions, relating to AMC and OLTL, including without limitation, the right to use the theme songs for AMC and OLTL in connection therewith, subject to Licensee being responsible for any and all payments required in connection with the use of such music, including without limitation any and all guild payments, royalties, agency commission, licenses etc...

By their signatures appearing below, the parties hereby consent to and agree to this Third Amendment. To the extent this Third Amendment conflicts with the Agreement or with the First or Second Amendment, this Third Amendment shall govern, and the parties hereby ratify the Agreement as now amended.

American Broadcasting Companies, Inc.

By: ______________

Its: ______________

<u>PROOF OF SERVICE</u>
<u>BC506052</u>
STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the county of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 11911 San Vicente Boulevard, Suite 324, Los Angeles, CA 90049.

On March 7, 2014, I served the following document(s) described as follows:

CROSS-COMPLAINT BY AMERICAN BROADCASTING COMPANIES, INC. FOR BREACH OF CONTRACT

on the interested parties in this action by placing a true copy thereon enclosed in a sealed envelope addressed as follows:

Michael E. Weinsten
LAVELY & SINGER
PROFESSIONAL CORPORATION
2049 Century Park East, Suite 2400
Los Angeles, CA 90067-2906
Via Personal Service

Timothy Taylor, Esq.
Andrews Kurth, LLP
1717 Main Street, Suite 3700
Dallas, TX 75201
Via E-Mail

James Edward Maloney, Esq.
Kaylan Dunn, Esq.
Kelly S. Sandill
Andrews Kurth, LLP
600 Travis, Suite 4200
Houston Texas, TX 77002
Via E-Mail

/X/ (BY PERSONAL SERVICE) /X/ I caused to be delivered such envelope by hand to the offices of the addressee pursuant to CCP § 1011. (STATE/FEDERAL)

/X/ (BY E-MAIL) <u>jamesmaloney@andrewskurth.com</u>; <u>kaylandunn@andrewskurth.com</u>; <u>timtaylor@andrewskurth.com</u> and <u>kellysandill@andrewskurth.com</u>

/X/ (STATE) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on March 7, 2014, at Los Angeles, California.

DENISSE AGUILAR