

Amended and Restated Operating Agreement

Of

THE DADDY LONG LEGS LIMITED LIABILITY COMPANY

Dated as of April 30, 2015

THE LIMITED LIABILITY COMPANY INTERESTS REPRESENTED BY THIS AGREEMENT ARE NOT REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, HYPOTHECATED OR OTHERWISE TRANSFERRED UNLESS THEY ARE SO REGISTERED OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

THIS OFFERING IS BEING MADE SOLELY TO ACCREDITED INVESTORS PURSUANT TO RULE 506 OF REGULATION D, PROMULGATED UNDER THE SECURITIES ACT OF 1933. THE INFORMATION IN THIS DOCUMENT OR ANY OTHER DOCUMENT SUBMITTED TO INVESTORS IN CONNECTION WITH THIS OFFER HAS NOT BEEN REVIEWED BY THE SECURITIES AND EXCHANGE COMMISSION, THE NEW YORK ATTORNEY GENERAL OR ANY OTHER REGULATORY BODY FOR THE ADEQUACY OF ITS DISCLOSURE, AND NEITHER THE ATTORNEY GENERAL NOR ANY OTHER REGULATORY BODY HAS PASSED ON OR APPROVED THE MERITS OF THIS OFFERING.

PROSPECTIVE INVESTORS IN THE DADDY LONG LEGS LIMITED LIABILITY COMPANY (THE "COMPANY") ARE NOT TO CONSTRUE THE CONTENTS OF THIS AGREEMENT OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE COMPANY, ITS MANAGING MEMBERS OR THEIR AFFILIATES, OR ANY PROFESSIONAL ASSOCIATED WITH THIS OFFERING AS LEGAL, TAX OR INVESTMENT ADVICE. AN INVESTMENT IN THE COMPANY CARRIES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR AN INVESTOR WHO CAN AFFORD THE LOSS OF SUCH INVESTOR'S ENTIRE INVESTMENT. EACH INVESTOR SHOULD CONSULT WITH SUCH INVESTOR'S PERSONAL COUNSEL, ACCOUNTANT AND OTHER ADVISERS AS TO THE LEGAL, TAX AND ECONOMIC IMPLICATIONS OF AN INVESTMENT IN THE COMPANY AND ITS SUITABILITY FOR SUCH INVESTOR. NO REPRESENTATION OR WARRANTY IS OR CAN BE MADE AS TO THE ECONOMIC RETURN THAT MAY ACCRUE TO AN INVESTOR. THERE ARE NO TAX BENEFITS FROM AN INVESTMENT IN THE COMPANY, AND ANY INVESTMENT SHOULD BE MADE SOLELY FOR ECONOMIC REASONS.

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AGREEMENT made as of April 30, 2015, by the parties who shall execute this agreement as hereinafter provided.

WHEREAS, the Manager and certain Members entered into an operating agreement dated as of June 16, 2014 (the "Original Agreement"); and

WHEREAS, the Manager and those certain Members desire to amend and restate the Original Agreement to revise the terms of the Original Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Definitions and Construction

Wherever used in this agreement the following terms shall have the following meanings:

"Adjusted Net Profits" means the excess of Gross Receipts over all Production Expenses, Running Expenses, Other Expenses and any compensation paid to third parties that is measured by Net Profits.

"Author" means collectively John Caird as bookwriter and Paul Gordon as composer and lyricist of the Play.

"Capital Account" means the account established for each Member on the books of the Company, which account is initially equal to the capital contribution of such Member to the Company pursuant to paragraphs FOURTH and FIFTH hereof and thereafter is increased by (i) additional cash contributions, if any, made by such Member to the Company, (ii) the fair market value of any property contributed by such Member to the Company (net of any liability to which such property is subject) and (iii) the amount of any Net Income allocated to such Member pursuant to paragraph SIXTEENTH hereof (including any amount of gross income allocated pursuant to subparagraph (f) thereof), and decreased by (i) the amount of any distributions made to such Member pursuant to paragraphs FIFTEENTH and SEVENTEENTH hereof, including the fair market value of any property distributed by the Company to such Member (net of any liability to which such property is subject) and (ii) the amount of any losses and deductions allocated to such Member pursuant to paragraph SIXTEENTH. The Capital

Accounts shall be maintained in accordance with the tax accounting principles set forth in the Treasury Regulations promulgated under section 704(b) of the Code.

"Code" means the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent revenue laws.

"Company" means The Daddy Long Legs Limited Liability Company.

"Consortium" means, collectively, the Rubicon Theatre Company, TheatreWorks, the Cincinnati Playhouse and Michael Jackowitz, the group that presented the initial touring production of the Play commencing in 2009.

"Estimated Production Requirements" means the amount of the anticipated capitalization of the Company, which is currently estimated to be no less than the Minimum Estimated Funding and no more than the Maximum Estimated Funding.

"Gross Receipts" means all sums derived by the Company from any source whatsoever from the exploitation of its rights in the Play, including all proceeds derived by the Company from the liquidation of the physical production of the Play at the conclusion of the run thereof and from the return of bonds and other recoverable items included in Production Expenses.

"Investor Recoupment" means the point at which the Investors' total contributions shall have been repaid to them out of funds distributed by the Company.

"Investors" means the Members of the Company who shall contribute the Estimated Production Requirements, and shall include the Manager to the extent the Manager makes capital contributions to the Company.

"Manager" means Blue Blazers, LLC and Witzend Productions, LLC, and any additional, successor or substitute manager(s) of the Company; and any reference herein to "Manager" shall be to the parties comprising Manager at the time to which such reference relates, and shall be joint and several.

"Maximum Estimated Funding" means Eight Hundred Thousand Dollars (\$800,000).

"Members" means all members of the Company (i.e., both the Manager and the Investors).

"Minimum Estimated Funding" means Seven Hundred Thousand Dollars (\$700,000).

"Net Income" and "Net Loss" for any fiscal year of the Company, or any fraction thereof, means the net income or net loss of the Company, as the case may be, for such fiscal year, in each case including gain or loss recognized upon the sale of any assets of the Company, including the amount, if any, of tax exempt income received or accrued and taking into account expenditures of the Company described in section 705(a)(2)(B) of the Code (including expenditures treated as described in section 705(a)(2)(B) of the Code under Treas. Reg. §1.704-1(b)(2)-(iv)(i)). The Company shall determine all items of Net Income and Net Loss in accordance with principles applicable in determining taxable income or loss for federal income tax purposes for limited liability companies treated as partnerships and consistent with accounting methods used by the Company in determining taxable income or loss for federal income tax purposes.

"Net Profits" means the excess of Gross Receipts over all Production expenses, Running Expenses and Other Expenses (excluding any compensation paid to third parties that is measured by Net Profits).

"Off-Broadway Production" means the Company's anticipated Off-Broadway production of the Play at the Davenport Theatre, which seats approximately 140, with performances expected to take place beginning on or about September 9, 2015.

"Operating Budget" means the currently estimated operating budget for the Off-Broadway Production as set forth in Exhibit A.

"Other Expenses" means all expenses of whatever kind or nature other than Production Expenses and Running Expenses actually and reasonably incurred in connection with the operation of the business of the Company, including, but without limiting the generality of the foregoing, monies paid or payable in connection with claims for plagiarism, libel, negligence, etc.

"Play" means the musical stage play entitled "Daddy Long Legs" written by the Author based on a 1912 public domain novel by Jean Webster.

"Production Budget" means the currently estimated production budget for the Off-Broadway Production as set forth in Exhibit A.

"Production Contract" means the agreement between the Author and the Company, the details of which are currently being negotiated but are not yet finalized, pursuant to which the Company intends to secure the right to produce the Play, subject to terms and conditions summarized in subparagraph I of paragraph THIRTIETH.

"Production Expenses" means all expenses, charges and disbursements incurred in connection with the Play's development and production including, without limitation: fees of directors, designers, cost of sets, curtains, drapes, costumes, properties, furnishings, electrical and sound equipment, musicians' salaries and orchestrations, premiums for bonds and insurance, rehearsal charges and expenses, developmental production costs, transportation charges, cash office charges, legal and auditing fees and expenses, advance advertising and publicity, theatre costs and expenses, and all other expenses and losses of whatever kind (other than expenditures precluded hereunder) actually incurred in connection with the production through the official opening of the Off-Broadway Production, including any out-of-town performances, if any, and preview losses.

"Recoupment" the point at which 100% of the aggregate of all Production Expenses (exclusive of bonds, security deposits and recoverables) and all Running Cost and Other Expenses shall have been recovered from Gross Receipts, and "110% Recoupment shall be construed accordingly.

"Running Expenses" means all expenses, charges and disbursements of whatsoever kind actually incurred as "running expenses" of the Play, including, but without limiting the generality of the foregoing, Authors' royalties, compensation to be paid to the cast and general manager, director's and choreographer's royalties, salaries of orchestra, and miscellaneous stage help, transportation charges, cash office charges, advertising and publicity, rentals, miscellaneous supplies, reasonable legal and auditing expenses, theatre operating expenses, and all other expenses and losses of whatever kind actually incurred in connection

with the operation of the Play, and taxes of whatsoever kind or nature other than taxes on the incomes of the Members.

"Sinking Fund" means the reserve to be set aside for each company of the Play, the amount of which will be determined by the Manager.

All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons, firm or firms, corporation or corporations may require.

Paragraph headings are used herein for convenience only and shall not be referred to in the interpretation of this agreement.

Agreement

FIRST: Formation of Limited Liability Company. The Company has been formed as a limited liability company pursuant to the provisions of the New York Limited Liability Company Law to manage and produce the Play, to exploit and turn to account the rights held by the Company in connection therewith, and, as determined by the Manager in its sole discretion, to finance in whole or in part a cast album of the Off-Broadway Production, and for no other purpose.

SECOND: Manager and Investors. The Manager shall be the managing member of the Company, provided, however, that the Manager reserves the right to add others to also serve as managers by having such persons execute this agreement as a manager. The addition of additional managers by the original Manager will not require advance notice to, or the consent of, the Investors, and no Investor will have a right to rescind his investment or withdraw from the Company due to the appointment of managers in addition to the original Manager. If others hereafter are appointed to serve as managers, there will be no change in the total compensation due the Manager hereunder, as described in subparagraph V of paragraph THIRTIETH hereof. All Members who are not managers will be Investors. To the extent that the Manager makes capital contributions to the Company, it shall be deemed to have executed this agreement as both a Manager and an Investor; provided, however, that with respect to such contribution, it shall be treated as an "Investor" for purposes of paragraphs FIFTH, SIXTH, NINTH, FIFTEENTH, SIXTEENTH and SEVENTEENTH and THIRTY-SECOND. See also paragraphs

THIRTEENTH and FOURTEENTH hereof concerning the withdrawal or bankruptcy of a Manager.

THIRD: Name and Principal Place of Business of the Company. The Company shall be conducted under the name "The Daddy Long Legs Limited Liability Company." The location of the principal place of business of the Company shall be c/o DTE Management Services, LLC, 254 West 54th Street, 14th Floor, New York, NY 10019, Attn: Ryan Conway. Said location may be changed to another place upon notice from the Manager to the Investors.

FOURTH: Rights in the Play to be Assigned to the Company. The Manager agrees that any rights it acquired or which it hereafter may acquire relating to the Play, and the benefit of all services rendered or to be rendered by it in connection therewith, shall belong to and be held in the name of the Company. As set forth in subparagraph III of paragraph THIRTIETH, the Manager may incur expenses and make advances in connection with the Company's pre-production activities. The amount so advanced shall be either credited to the Capital Account of the Manager (subject to the terms of paragraph SECOND hereof) or shall be reimbursed as provided in subparagraph III of paragraph THIRTIETH, at the election of the Manager.

FIFTH: Contributions of the Investors. Each Investor shall contribute to the capital of the Company the sum set forth as his contribution on his signature page hereto and authorize the Manager to expend all or part thereof for any proper purpose of the Company without regard to whether the Minimum Estimated Funding has been received. In so doing, each Investor shall waive a right to receive a refund of his capital contribution if the Minimum Estimated Funding is not achieved and there is no Off-Broadway opening. However, for the avoidance of any uncertainty, if it is feasible to do so, the Manager may open the Off-Broadway Production even if less than the full amount of the Minimum Estimated Funding has been raised. If the Company's production of the Play is abandoned prior to the opening of the Off-Broadway Production or thereafter, the affairs of the Company will be wound up as contemplated in subparagraph (d) of paragraph SEVENTEENTH hereof, and Investors will participate in the assets that remain, if any. Due to each Investor's waiver of any right to a refund, if the Company is wound up as aforesaid, following the payment of all of the Company's obligations, each Investor will participate only in the Company's remaining assets after satisfaction of all of its

obligations, and will have no claim against the Manager for reimbursement of any shortfall.

If with the consent of the Manager a person, for the purpose of becoming an Investor, shall give, or cause to be given, to Actors' Equity Association or any other similar organization an obligation acceptable to it in lieu of any cash deposits otherwise required from the Company by such association or other organization, and if he shall have stated in substance on the page of this agreement bearing his signature that he will so give or cause to be given such obligation, and the face amount thereof so given or to be given, and the organization to which given or to be given, then the amount specified in such acceptable obligation, when given, shall be deemed equivalent to the making by such person of a cash contribution to the Company of that amount. If the Off-Broadway Production shall close before the repayment in full of the principal amount of the Investors' contributions, and all or any part of such obligation shall have been satisfied by action of the Company, then immediately after such action each person who shall have furnished such an obligation shall pay to the Company, in cash, the full principal amount originally stated in such obligation (less any amounts which he may already have been called upon to pay, and actually shall have paid, thereunder), and such cash payment to the Company (plus any such amounts theretofore paid as referred to in the immediately preceding parentheses) shall thereupon and thereafter represent the capital contribution to the Company by such person to the extent formerly represented by said amount originally stated in said obligation.

SIXTH: Payment of Capital Contributions; Special Account. The capital contribution of each Investor shall be payable upon execution of the subscription agreement. All such payments shall be kept in a Company bank account until actually employed for production purposes of the Company or returned to Investors, it being understood that all capital contributions will be immediately available for immediate use without regard to whether the Minimum Estimated Funding has been received. Nothing herein contained shall be deemed to require the Manager to deposit the contributions of the Investors to the Company in interest-bearing accounts. If, in its sole discretion, the Manager deposits such contributions in interest-bearing accounts, the interest earned may be expended for any proper purpose of the Company.

At such time as the Company receives a prospective Investor's capital contribution and accepts such Investor as a Member by countersigning such Investor's subscription agreement, such prospective Investor shall become a Member. The Manager has no

obligation to accept any Investor and may reject any Investor for any reason whatsoever.

SEVENTH: Estimated Production Requirements. The Estimated Production Requirements are no less than the Minimum Estimated Funding and no more than the Maximum Estimated Funding. The amount of the Estimated Production Requirements to be furnished by contributions from the Investors may be reduced at the option of the Manager by the net amount of non-equity contributions and/or funding in the form of cash payments or goods or services received from sponsors (the effect of which will be to reduce the funds to be recouped and accord each Investor a greater percentage of Adjusted Net Profits). Alternatively, there will be no reduction of the Estimated Production Requirements, and any such non-equity contributions or funding from sponsors will be considered Gross Receipts. The Company will not accept additional capital contributions after the first to occur of its receipt of the Maximum Estimated Funding or the official opening of the Off-Broadway Production.

The Manager, in its sole discretion, may contribute to the capital of the Company but shall have no obligation to do so.

EIGHTH: Other Activities of the Manager and the Investors. The Manager is authorized to manage the business of the Company in conjunction with the Manager's other business interests, activities and investments and, as provided in paragraph TWENTIETH, will not be obligated to devote all or any particular part of its time and effort to the Company and its affairs. Neither this agreement nor any activity undertaken on behalf of the Company shall prevent the Manager, its principals and/or its affiliates, or the Investors, from engaging in any other activities or businesses or from making investments, whether or not such activities, businesses or investments are similar in nature to or competitive with the business of the Company, including without limitation, investments in, or production of, live theatrical, film and/or television productions (including without limitation, productions of the Play), whether individually or jointly with others, without any obligation to account to the Company or Investors for any profits or other benefits derived therefrom, and without having to offer an interest in such activities, businesses or investments to the Company or the Investors.

The Manager, and persons and entities affiliated with and/or related to the Manager, are actively involved in various aspects of the theatrical industry. The Manager reserves the right to render, or have its affiliates and/or principals render, services that are not

customarily provided by producers of theatrical productions in their capacities as producers, including, without limitation, as ticket broker, marketing agency, web designer, tour presenter, merchandiser, group sales agent and sponsorship agent in connection with the Play, for which they will receive compensation at customary levels, without any obligation to account to the Company or Investors for any profits or other benefits derived therefrom, and without having to offer an interest in such activities to the Company or Investors. Furthermore, an affiliate of Blue Blazers LLC is expected to license the Davenport Theatre to the Company for the Off-Broadway Production for which such affiliate will receive compensation at customary levels, without any obligation to account to the Company or the Investors for any profits or other benefits derived therefrom.

NINTH: Loans for Production Expenses. If Production Expenses exceed the Maximum Estimated Funding, the Manager shall exert its good faith efforts to cause loans to be advanced to cover the overage. In addition, prior to the date of the official Off-Broadway opening of the Play, the Manager may make loans, or cause loans to be made, to the Company in an effort to bring the Company's funds to an amount within the Estimated Production Requirements. Such loans will bear such interest, if any, as may be approved by the Manager. Although the Manager will have no obligation to make any such loan, if the Manager or any affiliate of the Manager elects to do so, the interest paid on such loan, if any, will in no event exceed two percent (2%) over the prime rate. Any loan made pursuant to this paragraph will be entitled to be repaid prior to the repayment of Investors' capital contributions, and any share of Adjusted Net Profits payable in respect of such loans will be paid solely out of the Manager's share of Adjusted Net Profits. Consequently, if loans are made to help furnish the Estimated Production Requirements and Investors recoup their investments, each Investor will be entitled to a higher percentage of the fifty percent (50%) share of Adjusted Net Profits allocated to Investors as set forth in paragraph FIFTEENTH since the parties making the loans will not participate therein. Any deduction of interest imputed for federal income tax purposes with respect to any such loan made by a Member shall be allocated exclusively to such Member and shall be excluded from the computation of Net Income or Net Loss of the Company.

TENTH: Loans for Running and Other Expenses. If, at any time, the Company's funds shall be insufficient or otherwise unavailable to pay any Running Expenses or Other Expenses, the Manager, in its sole discretion, may advance or cause to be advanced as loans to

the Company the amounts so required. Any such loans shall be entitled to be repaid prior to the return of any contributions to the Investors, together with such interest, if any, as may be approved by the Manager, in its sole discretion. Adjusted Net Profits, if any, due persons making such loans shall be payable solely from the Manager's percentage of Adjusted Net Profits and, accordingly, shall not reduce the Adjusted Net Profits payable to Investors. Any deduction for interest imputed for federal income tax purposes with respect to any such loan made by a Member or an affiliate of a Member shall be allocated exclusively to such Member and shall be excluded from the computation of Net Income or Net Loss of the Company. Nothing herein is to be construed as requiring the Manager to advance funds to the Company.

ELEVENTH: Abandonment of the Production. Anything herein to the contrary notwithstanding, the Manager shall have the right, whenever in its business judgment it shall deem it necessary, to abandon any production of the Play at any time for any reason whatsoever. In the event of such abandonment, the production shall be forthwith liquidated and all of the Company's funds shall be distributed to the same persons and in the same manner as set forth in subparagraph (d) of paragraph SEVENTEENTH hereof, subject to any reserve for liabilities that the Manager deems prudent. Abandonment may occur prior to the opening of the Off-Broadway Production which would cause Investors to lose all, or substantially all, of their investments.

TWELFTH: Billing. The production of the Play shall be announced as set forth in subparagraph X of paragraph THIRTIETH hereof.

THIRTEENTH: Termination of the Company. The Company shall continue until the first to occur of the following: all rights of the Company in the Play shall have been disposed of or terminated; in the good faith judgment of the Manager, the costs incurred by the Company in remaining in existence exceed the income derived by the Company; any event that causes the dissolution of a limited liability company under the New York Limited Liability Company Law; or subject to paragraph FOURTEENTH, the resignation, dissolution or bankruptcy of the Manager. Upon said termination the Manager shall liquidate the affairs of the Company as hereinafter provided.

FOURTEENTH: Continuation of the Company Following a Termination Event. Upon the resignation, dissolution or bankruptcy of all parties comprising the Manager, the Company shall be dissolved and terminated unless a majority in interest of the Investors shall

determine within thirty (30) days after such event to continue the business of the Company and designate a substitute Manager who has agreed in writing to serve in such capacity.

FIFTEENTH: Distribution of Adjusted Net Profits. Following such time, if ever, that all of the contributions of the Investors shall be returned to them as provided in paragraph SEVENTEENTH (a) hereof, the Adjusted Net Profits that may accrue from the business of the Company will be distributed as provided in paragraph SEVENTEENTH (b) hereof and will be divided between the Manager and the Investors so that each Investor will receive that proportion of 50% of the Adjusted Net Profits of the Company which his contribution bears to the aggregate of all capital contributions made by the Investors, and the Manager shall receive the remaining 50% of Adjusted Net Profits. The Manager will have the right to allocate a portion of its Adjusted Net Profits to one or more third parties, including, without limitation, Investors.

SIXTEENTH: Allocation of Net Income and Net Losses. From and after the date of this agreement, all Net Income and Net Losses of the Company for each calendar year or fraction thereof shall be credited or charged to the Capital Accounts of the Members as follows and in the following order of priority:

(a) Net income shall first be credited to the Capital Accounts of the Members to the extent of and in proportion to the respective deficit balances, if any, thereof.

(b) Net income shall next be credited to the Capital Accounts of the Members as follows: (i) first, to the extent of and in proportion to, with respect to each Member, the excess, if any, of (A) the aggregate amount of Net Loss previously charged to the Capital Account of such Member under clause (e)(i) of this paragraph SIXTEENTH for all prior years over (B) the aggregate amount of Net Income previously credited to the Capital Account of such Member under this clause (b)(i) for all prior years, and (ii) thereafter, to the extent of and in proportion to, with respect to each Member, the excess, if any, of (A) the aggregate amount of Net Loss previously charged to the Capital Account of such Member under subparagraph (d) of this paragraph SIXTEENTH for all prior years over (B) the aggregate amount of Net Income previously credited to the Capital Account of such Member under this clause (b)(ii) for all prior years.

(c) The balance, if any, of Net Income shall be credited to the Capital Accounts of the Members in the proportion that they are entitled to share in Adjusted Net Profits pursuant to the provisions of the second paragraph of paragraph FIFTEENTH hereof.

(d) If the Company has Net Losses for such calendar year or fraction thereof, an amount of Net Loss shall first be charged to the Capital Accounts of the Members in the proportion that they are entitled to share in Adjusted Net Profits pursuant to the provisions of paragraph FIFTEENTH hereof until the aggregate amount of Net Losses charged to the Capital Accounts of the Members under this subparagraph (d) for the current year and all prior years equals the amount of Net Income previously credited to the Capital Accounts of the Members under subparagraph (c) above for all prior years.

(e) The balance, if any, of Net Losses shall be charged as follows: (i) first, to the Capital Account of each Member whose Capital Account has a positive balance (after taking into account any allocations under subparagraph (d)), to the extent of and in proportion to the positive balances of each of such Capital Account, until the balance of each such Capital Account has been reduced to zero and, thereafter, (ii) to the Capital Accounts of the Members in the proportion that they are entitled to share in Adjusted Net Profits pursuant to the provisions of paragraph FIFTEENTH hereof; provided, however, that if and to the extent that the allocation of Net Loss provided for in this subparagraph (e) would cause the deficit balance of the Capital Account of an Investor to exceed the aggregate amount distributed to such Investor for the current year and all prior years under paragraphs FIFTEENTH and SEVENTEENTH hereof, such amount of Net Loss shall instead be allocated to the Manager.

(f) Notwithstanding any other provision of this Agreement, if any Member unexpectedly receives any adjustments, allocations or distributions described in Treas. Reg. §1.704-1(b)(2)(ii)(D)(4), (5) or (6) that cause a negative balance or increase in the negative balance in the Capital Account of such Member, then items of Company income and gain shall be allocated to such Member in an amount sufficient to eliminate such negative balance as quickly as possible prior to any other allocation hereunder. For purposes of this subparagraph (f), a Member's Capital Account shall be increased by such Member's share of any recourse liability of the Company (including any loans made by such Member to the Company).

(g) No Member shall be personally liable for any debts, obligations or

loss of the Company in any event, except from the capital contributed by him hereunder.

SEVENTEENTH: Return of Contributions of the Investors; Distribution of Adjusted Net Profits; Liquidation Distributions.

(a) The contributions of the Investors shall be returned to them at the following times:

At such times (after the official opening of the Off-Broadway Production) as the Company has a cash reserve not less than the Sinking Fund after the payment or reasonable provision for payment of all debts (including for any loans made pursuant to paragraphs NINTH and TENTH hereof which pursuant to their terms are repayable prior to the return of the contributions of the Investors), liabilities, taxes and contingent liabilities, all cash received from time to time by the Company in excess of said cash reserve shall be paid periodically, but not less frequently than semi-annually, exclusively to the Investors until Investor Recoupment. Each Investor shall receive that proportion of such excess cash received by the Company as his contribution bears to the aggregate amount of all contributions made by all Investors. If any Investor shall have given an obligation to Actors' Equity Association or similar organization, then, at the time of each such payment aforesaid, the Company shall set aside the amount which would have been payable to such Investor had he made a contribution in cash equal to the face amount of such obligation, until there shall be accumulated a sum sufficient to release the liability of such Investor, and the Company shall thereafter hold such Investor harmless from any liability under such obligation. If, upon the termination of the production, the amount so accumulated shall not have been used, it shall be distributed in accordance with the terms of this agreement.

(b) The time and manner of distribution of the Adjusted Net Profits of the Company shall be as follows: Following Investor Recoupment, such part of the Adjusted Net Profits of the Company as can be paid in cash and still leave the Company with a cash reserve not less than the Sinking Fund after the payment, or reasonable provision for the payment of all debts, liabilities, taxes and contingent liabilities, and after making the payments provided for in subparagraph (a) of this paragraph SEVENTEENTH, shall be paid not less frequently than semi-

annually to the Investors and Manager in accordance with the percentage provisions provided for in Paragraph FIFTEENTH.

(c) Solely for the purpose of determining whether any contributions are to be repaid or Adjusted Net Profits are to be distributed to the Investors and/or Manager under the provisions of this paragraph SEVENTEENTH (but not for any other purpose) the financial reports prepared by the accountants for the Company shall be conclusive.

(d) Upon the closing of all companies presenting the Play under the management or license of the Company, and the abandonment of further intention of producing the Play, the assets of the Company shall be liquidated as promptly as possible and the cash proceeds shall be applied as follows, and in the following order or priority:

(i) To the payment of all debts, taxes, obligations and liabilities of the Company, and the necessary expenses of liquidation. Where there is a contingent debt, obligation or liability, a reserve shall be set up to meet it, and if and when said contingency shall cease to exist, the moneys, if any, in said reserve shall be distributed as herein provided for in this paragraph SEVENTEENTH.

(ii) To the repayment of the capital contributed by the Investors (if any shall then remain unpaid), the said Investors sharing each such repayment proportionately to their respective contributions; provided, however, that no amount shall be distributed to any Investor pursuant to this subparagraph (d)(ii) of this paragraph SEVENTEENTH in excess of the balance of such Investor's Capital Account.

(iii) The surplus, if any, of the said assets then remaining shall be divided among all the Members in proportion to the balance of their Capital Accounts, determined after allocating Net Income or Net Loss for the year of such liquidation (determined after taking into account gain or loss realized in connection with such liquidation) and after taking into account all distributions made during such year, including distributions pursuant to subparagraph (d)(ii) hereof.

In liquidating the assets of the Company, all physical assets of a saleable value belonging to the Company shall be sold at public or private sale, as the Manager may deem advisable. No assets other than physical ones need be sold. It is agreed that any Member may purchase said physical assets at such sale.

(e) If any sum by way of repayment of contributions or distributions of Adjusted Net Profits shall have been paid prior or subsequent to the termination date of the Company, and at any time subsequent to such repayment there shall be any unpaid debts, taxes, liabilities or obligations of the Company which the Company shall not have sufficient assets to meet, then each Member and the Manager shall be obligated to repay to the Company up to the amount of capital so returned to him and Adjusted Net Profits so distributed to him as the Manager may need for such purpose and may demand. In such event the Members and Manager shall first repay any Adjusted Net Profits theretofore distributed to them, such repayment by them to be made in proportion to the amounts of such Adjusted Net Profits theretofore distributed to them, respectively, and if such distributed Adjusted Net Profits shall be insufficient, the Members shall return contributions of capital which may have been repaid to them, such return by the Members to be made in proportion to the amounts of contributions of capital which may have been so repaid to them. All such repayments by Members shall be made promptly after receipt by each Member from the Manager of a written notice requesting such repayment, together with a statement of the aggregate amount so to be repaid and of the amounts so to be repaid by each Member and by the Manager, and together, also, with an explanation of the necessity for such repayment. Repayments of their proportionate shares of any Adjusted Net Profits to be returned to the Company shall be made by the Manager at the time of sending of such notice to the Members. Third parties receiving compensation measured by Net Profits (such as star performers) will not be subject to the obligations of this subparagraph except as may otherwise be agreed by them.

EIGHTEENTH: Bank Account. The Manager has opened and will maintain, in the name of the Company, one or more bank accounts in which shall be deposited all of the capital of the Company, all Gross Receipts, and no other funds. The funds in said bank accounts shall be used solely for the business of the Company.

NINETEENTH: Books and Records of the Company; Tax Matters Member. At all times during the continuance of the Company, the Manager shall keep or cause to be kept full and faithful books of account in which shall be entered fully and accurately each transaction of the Company. Upon prior notice to the Manager, said books of account shall be open during normal business hours to the inspection and examination of any Investor, or his representatives, at such Investor's sole expense provided the reason for the inspection is reasonably related to

such Investor's investment in the Company. The Manager shall likewise have available for the examination and inspection of the Investors or their representatives, box office statements received from the theatre (or theatres, as the case may be) at which the Play produced by the Company shall be shown. The Manager agrees to deliver to the Investors, as long as the Play is being presented by the Company, monthly reports consisting of summary balance sheets and profit and loss statements, within thirty (30) days after the close of the period covered thereby. In addition, the Manager agrees to deliver to the Investors financial statements for each twelve (12) month fiscal period in which the Company has any earnings or expenditures or engages in any financial transactions, within four (4) months after the close of the applicable fiscal period. The Manager will furnish unaudited preopening reports for each six (6) month period (if any) prior to the first paid public performance of the Play, the first such report to be due six (6) months and thirty (30) days after the applicable six (6) month period. All such reports and any other financial reports which may be required shall be prepared in accordance with such laws and regulations as may be applicable to the financing and conduct of the business of the Company, which may include Article 23 of the New York Arts and Cultural Affairs Law, and regulations issued pursuant thereto; notwithstanding the foregoing, the Company may elect to apply for an exemption from the accounting requirements of Article 23 of the New York Arts and Cultural Affairs Law, in which case the Company's annual financial statements will not be certified by an independent public accountant. The Manager further agrees to deliver to each Investor all so-called "information returns" (prior to the filing thereof with the federal and state governments) showing the income of the Company and of each Member received therefrom. All reports and returns to be sent to Investors may be sent by regular or electronic mail.

Each Investor does hereby agree that Blue Blazers LLC shall serve as the Tax Matters Member of the Company, as required by the Code, and does hereby agree that any action taken by the Tax Matters Member so designated in connection with audits of the Company under the Code will be binding upon the Investors. Each Investor further agrees that he will not treat any Company item inconsistently on his individual income tax return with the treatment of the item on the Company return and that he will not independently act with respect to tax audits or tax litigation affecting the Company, unless previously authorized to do so in writing by the Tax Matters Member, which authorization may be withheld in the complete discretion of the Tax Matters Member.

TWENTIETH: Duties and Powers of the Manager. Without limitation of the provisions of paragraph EIGHTH, the Manager agrees to render, in connection with the Play, services customarily and usually rendered by theatrical producers, and to devote as much time thereto as it deems necessary. The Manager agrees to furnish, from the date of this agreement, office facilities including local telephone, secretarial and like facilities (but not including a press department) for which it shall receive reimbursement of disbursements incurred on behalf of the Company (such as long distance telephone calls, postage and messengers) and, beginning two weeks prior to the first rehearsal and continuing until two weeks after the close of the Play, a cash office charge of \$250 per week. Such cash office charge shall also be payable to the Manager with respect to any additional company of the Play. Payments made hereunder shall be deemed to be, and shall be charged as, Running Expenses and/or Production Expenses of the Company.

As between the Manager and the Investors, subject to the provisions of paragraph TWENTY-FIRST hereof, the Manager shall have complete control, in its discretion, both of production of the Play and the exploitation of all rights therein, including, without limiting the generality of the foregoing, changes in script, choice of cast, directors and designers, properties, sets, prices of tickets, time of opening and closing the Off-Broadway Production, and organizing and arranging for additional companies of the Play.

TWENTY-FIRST: Additional Rights of the Manager; Failure to Take Action; Liability of Manager; Indemnification. Following the initial presentation of the Off-Broadway Production, the Manager shall have the right to make arrangements to license the touring rights and/or the rights to produce and present additional companies of the Play to any other party or parties it may designate in its sole discretion, provided the Company receives reasonable compensation therefore. In the event of any such license of touring rights and/or additional company rights, none of the Investors or the Manager shall be disqualified from participating in the licensee's exploitation of such rights by investment of their funds or otherwise as a separate enterprise, and the Company shall not be entitled to share in any compensation received by any Investors or the Manager in connection therewith. In the event of any such license of touring rights and/or additional company rights, Manager may, for its own account, render services to the licensee in connection with the exploitation by the licensee of the rights so licensed or act as a local presenter in connection with a license of touring rights, for which it will receive

compensation at customary levels, and the Company shall not be entitled to share in any compensation received by the Manager in connection therewith. No such rights shall be licensed to a person or entity organized or controlled by the Manager, or in whose financial affairs the Manager may have an ownership interest, unless the Manager shall cause such person or entity to offer to all Investors a reasonable opportunity to participate in such venture by such person or entity at least to the same proportionate extent and upon terms at least as favorable as the participation of such Investor hereunder. The "reasonable opportunity" hereinbefore referred to shall be deemed to have been given and expired if, within ten (10) days after notice of the offer is sent to the Investor by email or regular mail, the Investor to whom it is sent shall not, in writing, send by return mail (or email) to the offering party, his acceptance of the offer. The foregoing notwithstanding, no such investment opportunity will need to be offered to Investors with respect to an additional company to be formed outside of the United States if in the Manager's good faith judgment, the cost of making investment opportunities available to Investors is cost-prohibitive due to tax or other considerations. For the avoidance of any uncertainty, although the Company will not invest funds in any additional company of the Play, the Company may advance funds for formation costs and to otherwise assist in the organization of additional companies of the Play if the Manager deems such advances to be in the best long-term interests of the Company.

If at any time after the first public performance of the Company's production of the Play the Manager shall determine in good faith that continuation of the run of the Play is not in the best interests of the Company and should be abandoned, then the Manager shall have the right to make arrangements with any person or entity to continue the run of the Play on such terms as it may feel is in the best interests of the Company, provided that if any Investor or the Manager shall participate in such continued run other than in his capacity as a Member of the Company, and that if the person or entity continuing such run shall be organized or controlled by the Manager, or any affiliate, or if the Manager shall have an ownership interest in the financial affairs of such person, all Investors shall be offered a reasonable opportunity to participate in the continuation of the run upon terms at least as favorable as their participation hereunder, all in the same manner as is set forth above in this paragraph TWENTY-FIRST with regard to licenses of rights in additional companies of the Play.

If the Author elects to sell, lease, license or otherwise dispose of any subsidiary rights in the Play, any of the Members, including the Manager, or any affiliate, may seek to

acquire and exploit such rights solely for their own account(s) and may receive compensation or other consideration, solely for their account(s), as producer, associate producer or in any other capacity whatsoever, in connection with the exploitation of such rights without any obligation to account to any other Member.

The Manager shall not be liable to the Investors or the Company for its failure to take any action, including, but not limited to, any action which may prevent the forfeiture of all or any portion of the Company's property, on behalf of the Company, due to the Company's lack of sufficient funds therefor.

Neither the Manager nor its principals or affiliates shall be liable to the Investors or the Company because any taxing authorities disallow or adjust any deductions or credits in the Company's income tax returns. In addition, the doing of any act or the omission to do any act by the Manager and/or its principals, the effect of which may cause or result in loss or damage to the Company, if done in good faith and otherwise in accordance with the terms of this agreement, shall not subject the Manager and/or its principals to any liability. The Company will indemnify and hold harmless the Manager and/or its principals and/or affiliates from any claim, loss, expense, liability, action or damage resulting from any such act or omission in the conduct of the business of the Company done in good faith and within the scope of the authority conferred by this agreement, including, without limitation, reasonable costs and expenses of litigation and appeal (including reasonable fees and expenses of attorneys engaged by the Manager in defense or prosecution of any action relating to such act or omission), but the Manager shall not be entitled to be indemnified or held harmless from any claim, loss, expense, liability, action or damage due to, or arising from the Manager's fraud, bad faith or gross negligence.

TWENTY-SECOND: Limitation on Assignments by Investors. No assignee of an Investor shall have the right to become a substituted Investor in the place of his assignor without the written consent of the Manager and then only upon complying with the conditions related to such substitution as may be prescribed by the Manager, including, without limitation, the payment of all legal costs associated with the consideration and processing of any transfer. The Manager's consent may be withheld for any reason or for no reason.

TWENTY-THIRD: Death or Legal Incompetence of Investors. If an Investor shall die, his executors or administrators, or if he shall be declared legally incompetent, his committee or other representative, shall have the same rights that the Investor would have had if he had not died or been declared legally incompetent, and the share of such Investor in the assets of the Company shall, until the termination of the Company, be subject to all the terms, provisions and conditions of this agreement as if such Investor had not died or been declared legally incompetent.

TWENTY-FOURTH: Addresses. The address of each party hereto for all purposes shall be the address of such party set forth next to such party's signature at the end of this agreement; provided, however, that the parties hereto shall have the right to designate, in writing, alternate addresses for the receipt of notices, statements, payments and other mail.

TWENTY-FIFTH: No Right to Demand Property Other Than Cash in Return of Contributions. Unless agreed to in writing by all of the parties hereto, the Investors shall have no right to demand and receive property other than cash in return for their contributions.

TWENTY-SIXTH: Arbitration. Any dispute arising under, out of, in connection with, or in relation to this agreement, or the making or validity thereof, or its interpretation, or any breach thereof, shall be determined and settled by arbitration 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 thereon may be entered in the highest court of the forum, State or Federal, having jurisdiction.

TWENTY-SEVENTH: Counterparts; Signatures. This agreement may be executed in counterparts, all of which taken together shall be deemed one original. Facsimile signatures or signatures conveyed by PDF shall have the same force and binding effect as original signatures.

TWENTY-EIGHTH: Originals of this Agreement; Articles of Organization of the Company. One original of this agreement (or set of counterparts, signed in accordance with paragraph TWENTY-SEVENTH) and the Articles of Organization of the Company shall be held at the office of the Company.

TWENTY-NINTH: Miscellaneous.

I. Powers of Attorney. Each Member hereby irrevocably constitutes and appoints the Manager as his true and lawful representative and attorney-in-fact, in his name, place and stead to make, execute, sign, acknowledge and file (a) any amendment to the Articles of Organization of the Company required by law or to reflect any amendment of this agreement, (b) all papers which may be required to effect or reflect the dissolution and liquidation of the Company after its termination and (c) all such other instruments, agreements, documents and certificates which may from time to time be required (i) by the laws of the United States of America, the state of New York or any other state in which the Company may determine to do business, or any political subdivision or agency thereof, (ii) to effectuate, implement and continue the valid and subsisting existence of the Company, or to merge the Company with another entity, (iii) to add to the duties or obligations of the Manager, or surrender any right or power granted to the Manager herein for the benefit of the Members, (iv) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to add any other provisions with respect to matters or questions arising under this Agreement which will not be inconsistent with the provisions of this Agreement, (v) to delete or add any provision of this Agreement required to be so deleted or added by any appropriate government department or official with jurisdiction, which addition or deletion is deemed by such department or official to be for the benefit or protection of the Members, or (vi) to carry out and perfect any action pursuant to this agreement, including without limitation, take any action to facilitate the investment described in Article THIRTY-FOURTH. This Power of Attorney is coupled with an interest and shall continue in full force and effect notwithstanding the subsequent death or incapacity of any Investor.

II. Further Assurances. Each party hereto agrees to execute, acknowledge, deliver, file, record and publish such further certificates, instruments, agreements and other documents, and to take all such further action as may be required by law or deemed by the Manager to be necessary or useful in furtherance of the Company's purposes and the objectives and intentions underlying this agreement and not inconsistent with the terms hereof.

III. Consent By Investors. In any case where the consent of a stated portion in interest of the Investors must be determined, each Investor's interest in the Company shall be

equal to the percentage that such Investor's contribution represents of the aggregate contributions of all Investors.

IV. Entire Agreement. This instrument incorporates the entire agreement among the parties hereto, regardless of anything to the contrary contained in any other instrument or notice purporting to summarize the terms hereof, whether or not the same shall be recorded or published.

V. Severability. If one or more of the provisions of this agreement shall be held to be invalid, illegal or unenforceable in any respect, the remaining provisions of this agreement shall remain in full force and effect and shall be construed as though the invalid, illegal or unenforceable provisions never had been contained herein.

VI. Meetings of Investors. Except as specifically provided for in paragraph FOURTEENTH hereof, the Members shall not meet for any purpose.

VII. Waiver of Dissolution Rights. The Members acknowledge and agree that irreparable damages would occur if a Member were to bring an action for judicial dissolution of the Company. Accordingly, each Member hereby waives and renounces any right such Member may have to seek a judicial dissolution of the Company or to seek the appointment by a court of a liquidator for the Company. Each Member further waives and renounces any alternative or additional rights which may otherwise be provided to such Member by applicable law upon the withdrawal or resignation of such Member, and agrees that the terms and provisions of this Agreement shall govern such Member's rights and obligations upon the occurrence of any such event.

THIRTIETH: Specific Information Concerning the Proposed Production.

I. Terms of Production Contract. The Company has an agreement in principle with Author, and is currently finalizing the terms of the Production Contract. The Company anticipates that the Production Contract will provide for the terms described below. However, there can be no assurance that such terms will not change or that the Company and Author will execute the Production Contract.

The Company will have a period of twelve (12) months following the effective date of the Production Contract to produce the Off-Broadway Production, subject to extension of

an additional twelve (12) months. If it fails to do so, its right to produce and present the Play will terminate. At this time, the effective date of the Production Contract has not been established.

The Author will be entitled to receive royalties equal to 5% of gross weekly box office receipts ("GWBOR"), increasing to 7% of GWBOR upon 110% Recoupment, and further increasing to 10% upon 200% Recoupment. Notwithstanding the foregoing, it is anticipated that at least in connection with the Off-Broadway Production, the Author's royalties will be subject to an alternative royalty arrangement (the "Royalty Formula") based on weekly net operating profits ("WNOP"), and that all other royalty participants (excluding stars and the theatre), including the Manager with respect to its producers' royalty, also will be compensated on such basis.

The Company will have the right to manufacture and sell merchandise based on the Play. On in-theater merchandise sales, the Author will receive an amount equal to 10% of the gross retail sales (less taxes), but not in excess of 50% of the Company's license fee from such sales. With respect to sales in other retail locations or via the internet through the Company's website for the Play, the Author will receive an amount equal to 50% of the Company's net receipts from such sales (i.e., the gross amounts paid to the Company less all customary third party costs actually incurred in the creation, manufacture and sale of the merchandise).

The Company will have the right to license a cast album recording of its productions of the Play, subject to the Author's approval of the terms and conditions of any cast album agreement, the identity of the record company, and the producer of the cast album. The net proceeds derived from the disposition of cast album rights (after deduction of all costs required to be borne by the Company under its agreements with the record company, performers, musicians and other staff providing services for the cast album) will be divided 60% to the Author, and 40% to the Company. Certain record companies now seek to secure cast album financing in whole or in part from the producer of the Play. If such a proposal is presented and deemed acceptable by the Company and the Author, the Company may form a new investment vehicle to finance or co-finance such cast album (and the Company will not be obligated to offer all Investors an opportunity to invest in such vehicle) or the Company may provide the required

funds out of (i) a portion of the reserve which the Manager determines no longer is required, (ii) operating profits that otherwise would be distributed to the Members, or (iii) a combination of the foregoing. Author has previously authorized a cast album based on the Play, and the Company's rights hereunder shall be subject to any arrangements to be discussed and agreed in good faith by Author and the Company in connection with such prior cast album.

Under the Production Contract, following the opening of the Off-Broadway Production, subject to the payments of advance within the specified time periods, the Producer will have the right to open or license additional sit-down or touring productions of the Play in North America and the British Isles and in other territories throughout the world, including in Australia, New Zealand and South Africa. It is anticipated that any such additional productions will be licensed – i.e., the Producer will license the requisite rights in exchange for compensation (usually consisting of a royalty and a share of the Net Profits of the licensed production). If the licensee is an entity controlled by the Manager, then all Investors will be provided with an opportunity to invest in the licensee as more fully set forth, and subject to the conditions described, in paragraph TWENTY-FIRST.

II. Subsidiary Rights Arrangements. In connection with the Off-Broadway Production, the Company will become entitled to participate financially in a percentage of the Author's income from the disposition of subsidiary rights, net of any agent's commission due in respect of such disposition, in accordance with the schedule set forth below.

If the Company produces and presents at least 21 but not more than 32 paid consecutive performances (including up to 8 previews and an official opening), the Company will be vested in a 20% participation;

If the Company produces and presents at least 33 but not more than 52 paid consecutive performances (including up to 8 previews and an official opening), the Company will be vested in a 30% participation; and

If the Company produces and presents at least 53 paid consecutive performances (including up to 8 previews and an official opening), the Company will be vested in a 40% participation.

The financial participation earned by the Company will be in effect for a period that ends 20 years after the expiration of the Company's production rights in the Play.

III. Pre-Production Expenses. As of the date of this Agreement, the Manager has expended funds in connection with the Play of approximately \$65,000, including, without limitation, in connection with an "industry presentation" of the Play at the Westside Theatre on January 24, 2014, and it may, from time to time, advance additional sums for pre-production expenses. The Manager will either be reimbursed for these expenditures from the Investors' capital contributions or, alternatively, if the Manager elects not to be reimbursed for such expenses, such unreimbursed expenses shall be deemed the equivalent of a cash contributions to the capital of the Company, and the Manager shall become an Investor to the extent of such unreimbursed expenses.

IV. Production Capital Requirements. The amount of the Estimated Production Requirements is between \$700,000 and \$800,000. As noted in paragraph SEVENTH above, the Company's need for capital from Investors may be reduced by the net amount of non-equity contributions and/or funding in the form of cash payments or goods or services received from sponsors, although no such arrangements are currently in place. The Company will not accept additional capital contributions after the first to occur of its receipt of \$800,000 in capital contributions or the official opening of the Off-Broadway Production. All investors are authorizing immediate use of their funds, regardless of whether the Minimum Estimated Funding has been received.

V. Reimbursement and Compensation of the Manager. In connection with the Off-Broadway Production and each additional company of the Play, the Manager, in its capacity of producer of the Play, will be entitled to receive (i) a weekly cash office charge of \$250 per week, commencing two weeks before the first rehearsal of the Off-Broadway Production and continuing through the date two weeks following the close thereof; (ii) a producer's royalty equal to 3% of gross weekly box office receipts (but subject to the alternative WNOP royalty arrangements discussed above); (iii) an executive producer's fee of \$5,000 as set forth in the Production Budget, and (iv) 50% of Adjusted Net Profits. In addition, the Producer will be entitled to reimbursement for pre-production expenses as set forth in subparagraph III of this paragraph THIRTIETH. Ken Davenport and Michael Jackowitz, the principals of each

Manager, are currently negotiating with the Author for the Author to pay them an aggregate amount equal to one percent (1%) of one hundred percent (100%) of subsidiary rights income out of the Author's share of net proceeds from the exploitation of subsidiary rights in the Play until Recoupment. Such compensation will have no impact on the amount of subsidiary rights income payable to the Company.

VI. Name of the Company. The name of the Company is THE DADDY LONG LEGS LIMITED LIABILITY COMPANY. However, the Company may do business under another name if necessary in order to qualify to do business in a particular jurisdiction.

VII. Royalty Obligations and Net Profit Participations. Except for the agreement with the Consortium (described below), and an agreement with the general manager (also described below), no contracts have been entered into which provide for the payment to any person of a percentage of gross weekly box office receipts or of Net Profits. However, as described below, numerous arrangements are anticipated which will provide for the payment of a percentage of gross weekly box office receipts and, in certain instances, perhaps also a participation in Net Profits. Investors should note that Net Profit participations will have the effect of reducing the Adjusted Net Profits available to be shared by the Members.

The following agreements either have been entered into or are anticipated:

A. Agreement with the General Manager. The Company has an agreement with DTE Management Services, LLC, an affiliate of Blue Blazers LLC, for its services as the general manager of the Off-Broadway Production. In addition to fees as provided for in the Production Budget and the Operating Budget included in Exhibit A, the general manager also will be entitled to receive 2% of Net Profits, rising to 2.5% of Net Profits at 200% Recoupment. Provided the general manager is not in default with respect to its obligations in connection with the Off-Broadway Production, it also will have the first opportunity to serve as general manager of additional first and second class productions produced by the Producer in the United States and Canada on the same terms that apply to the Off-Broadway Production.

B. Agreement with the Initial Producer Consortium. The Company has agreed in principle with the Consortium that in consideration of the Consortium's initial touring production, and its release of production rights in favor of the Company, the Company will pay the Consortium a royalty, a net profits participation and a share of subsidiary rights,

which shall not exceed the following: (i) a royalty of 1% of GWBOR, rising to 1.5% of GWBOR at 150% Recoupment (which will be subject to the alternative WNOP royalty arrangements described above in connection with the Off-Broadway Production and all other productions which implement an alternative royalty arrangement), (ii) 10% of Net Profits until such time as the Consortium has recovered 110% of 50% of its documented production costs, which production costs are not to exceed One Million, One Hundred Eighteen Thousand Dollars (\$1,118,000) (i.e., such recoverable amount being \$614,900, or 110% of 50% of such production costs), and 5% of Net Profits thereafter, and (iii) 6% of 100% of the share of net proceeds from any disposition of subsidiary rights in the Play as set forth in the Production Contract, provided that when Company's share of net proceeds of Author's income from any disposition of such subsidiary rights is reduced below 30%, the Consortium's share shall be reduced to an amount not to exceed 3.5%. The Consortium licensed rights in the Play for presentation in South Korea in August, 2014, and the Company will not share in any proceeds from such presentation.

C. Other Contracts. Numerous other contracts will be entered into in connection with the Off-Broadway Production, including, without limitation, contracts providing for payment of percentages of gross weekly box office receipts and perhaps also Net Profits. There can be no assurance that the Manager will be able to conclude agreements with the parties whose services it seeks on favorable terms or at all, and even the agreements in principle described above may change substantially prior to their finalization and execution.

VIII. No Overcall. There will be no overcall.

IX. Billing. The production shall be announced substantially as follows:

"Ken Davenport and Michael Jackowitz

[names to be added at discretion of Manager]

Present

Daddy Long Legs"

or in such other manner as the Manager may determine. Notwithstanding the foregoing, the Manager shall have the right to change such form of announcement and/or give presentation or other credits to other individuals or entities in their discretion, including, but not limited to, the Consortium.

THIRTY-FIRST: Taxes. If any liability for taxes (income or otherwise) of the Company shall be reduced by reason of any credit, deduction or similar item, resulting from the rights or status of any person or entity having an interest in the Net Profits or Adjusted Net Profits of the Company, such reduction shall inure solely to the benefit of such person or entity.

The Company shall be entitled to deduct, withhold and/or pay any and all future taxes or withholdings, and all liabilities with respect thereto to the extent that the Company in good faith determines that such deduction or withholding or payment is required by the Code or any other Federal, state, local or foreign law, rule or regulation which is currently in effect or which may be promulgated hereafter. Any taxes withheld from an actual distribution to a Member shall, for all purposes of this agreement, be treated as a distribution to such Member of the same type and character as the distribution giving rise to the withholding obligation.

With respect to the tax liabilities of investing Members, any amount deducted, withheld or paid with respect to a Member that is not described in paragraph SEVENTEENTH, including but not limited to any amount measured by a Member's distributive share of any Company item, shall be considered a loan (a "Special Loan") by the Company to such Member (the "Borrowing Member"). The Borrowing Member shall repay any such Special Loan to the Company within ten (10) days after the Manager delivers a written demand therefor, together with interest at 2% over the prime rate then prevailing at the bank in which the accounts of the Company are maintained, from the date such loan was made until the date of the repayment thereof. In addition to any other rights of the Company to enforce the Company's right to receive repayment of the Special Loan, plus any accrued interest thereon, the Company may deduct from any actual distribution to be made to a Borrowing Member or any amount available for distribution to a Borrowing Member an amount not greater than the outstanding balance of any Special Loan, plus any accrued interest thereon, as a payment in total or partial satisfaction thereof. In the event that the Company deducts the amount of the Special Loan plus any accrued interest thereon from any actual distribution or amount available to be distributed, the amount that was so deducted shall be treated as an actual distribution to the Borrowing Member for all purposes of this agreement.

THIRTY-SECOND: Investment Intent; Limitations on Resale. Each person executing this agreement as an Investor represents that he is entering into this agreement and

acquiring an interest in the Company for his own account for investment purposes only and not with a view to the distribution, resale, subdivision, fractionalization or disposition thereof. Each person executing this agreement as an Investor further agrees that he will not resell the interest acquired by him in the Company without registration or exemption therefrom, and that he will not dispose of the interest acquired by him in the Company unless and until counsel for the Company shall have determined in writing that the intended disposition is permissible under this agreement and does not violate the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission and/or any applicable state securities laws. Any Investor requesting such a determination shall bear the legal expense pertaining thereto, whether or not it is concluded that the disposition is permissible and not a violation. Finally, each person executing this agreement as an Investor agrees to indemnify and hold harmless the Manager, the officers and directors of the Manager and the Company from and against any and all loss, damage, liability or expense including costs and reasonable attorneys' fees to which any of them may be put or may incur by reason of any breach by such person of the representations made in this paragraph THIRTY-SECOND.

THIRTY-THIRD: Production and Operating Budgets. Annexed hereto as Exhibit A, for informational purposes only, are the currently estimated Production Budget and Operating Budget for the Play (including recoupment projections and financial models) which are based on a number of assumptions and could be altered if such assumptions change. The annexation of Exhibit A shall not limit the right of the Manager to make such changes in the allocations set forth in the Production Budget as it deems necessary or advisable, and there can be no assurances that actual Production Expenses will not exceed the Estimated Production Requirements. The aggregate capital contributions to the Company may be used to pay Running Expenses and Other Expenses as well as Production Expenses. With respect to the Operating Budget, recoupment estimate and financial model, there can be no assurance that Running Expenses or the cumulative share of operating profits payable to the royalty participants will be as projected or that the Play will run for any particular length of time or attract audiences of any particular size. The Manager reserves the right to select a theatre of greater or lesser seating capacity than is projected in the recoupment estimate, which also would cause the annexed budgets to change.

THIRTY-FOURTH: Investors' Representations and Acknowledgment of Risks.

By executing this agreement, each Investor warrants and represents to the Company and the Manager that he or she:

- (a) Has carefully read, reviewed and is familiar with this agreement;
- (b) Recognizes that an investment in the Company carries with it a high level of risk and a significant possibility of loss of the entire investment;
- (c) Is aware that there is no public market for interests in the Company, that it is not intended that such a market develop and that it will not be possible to readily liquidate this investment;
- (d) Is an "accredited investor" within the meaning of Rule 501 promulgated under the Securities Act of 1933, which definition includes (i) any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year or (ii) any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his or her purchase (excluding principal residence) exceeds \$1,000,000. Accredited investors which are not natural persons include entities in which all of the equity owners are accredited investors, certain trusts, and financial institutions with assets in excess of \$5,000,000;
- (e) Has (together with his professional advisors) had the opportunity to ask questions of, and receive answers from, the Manager concerning the business of the Company and has been given the opportunity (together with his professional advisors) to review documents, records and books pertaining to his investment in the Company;
- (f) Recognizes that all investments are authorized to be used for the business of the Company immediately upon receipt, that all Investors are required to waive a right of refund if the Minimum Estimated Funding is not raised, that if insufficient funds are raised to mount the Off-Broadway Production it will be abandoned, and that if abandonment occurs, it is likely that the bulk of Investors' funds will have been expended leaving Investors with only a right to receive a pro rata share of any funds that remain after the payment of all Company expenses (without the right to receive any shortfall from the Manager);

(g) Recognizes that the Company is not obligated to abandon the Off-Broadway Production if less than the full amount of the Minimum Estimated Funding is raised, and the Manager reserves the right to cause the Company to attempt to open the Off-Broadway Production under such circumstances in lieu of abandonment;

(h) Recognizes that the Company's financial statements may not be audited and, in such event, he will be relying solely on the Company for the accuracy of the information which the Company's financial statements contain;

(i) Recognizes, as reflected in the Operating Budget: that the Company will incur substantial weekly Running Expenses in presenting the Play; that in order to recover projected expenses, under the most optimistic circumstances (i.e., that all tickets are sold for all performances at full price), the Play will need to run at least the number of weeks specified in the recoupment projections, or a longer period if Production Expenses or Running Expenses are higher than estimated; that the Production Budget and Operating Budget attached hereto are subject to change; that it is highly unrealistic to anticipate that all tickets will be sold for all performances at full price; and that most theatrical productions fail to fully repay their investors;

(j) Recognizes that the Manager or its affiliates may engage in other businesses, as well as businesses similar to or in competition with the business of the Company, and that the Manager will be obligated to devote only such time to the business and affairs of the Company as it deems necessary;

(k) Recognizes that: the Manager, and persons and entities affiliated with and/or related to the Manager, are actively involved in many aspects of the theatrical industry; the Manager reserves the right to produce and/or co-produce, and/or act as local presenter of, additional companies of the Play for which it will receive compensation at customary levels, without any obligation to account to the Company or the Investors except for those fees or royalties paid to the Company for the acquisition of rights by such additional companies; an affiliate of Blue Blazers LLC is expected to license the Davenport Theatre to the Company for the Off-Broadway Production for which such affiliate will receive compensation at customary levels, without any obligation to account to the Company or the Investors for any profits or other benefits derived therefrom; the Manager further reserves the right to render, or have its affiliates or principals render, services that are not customarily provided by producers of theatrical

productions in their capacities as producers, including, without limitation, as ticket broker, marketing agency, web designer, tour presenter, merchandiser, group sales agent and sponsorship agent in connection with the Play, for which they will receive compensation at customary levels, without any obligation to account to the Company or the Investors for any profits or other benefits derived therefrom, and without having to offer an interest in such activities to the Company or Investors (and as it may be difficult to ascertain whether some of the aforementioned compensation constitutes compensation at customary levels, the Investors acknowledge that they are relying on the good-faith of the Manager to make such a determination);

(l) Recognizes that, because the Manager is entitled to receive a weekly cash office charge, an executive producer fee, a producer's royalty, a share of subsidiary rights income (payable solely by the Author), and that an affiliate of Blue Blazers LLC is the owner of the Davenport Theatre, which is expected to house the Off-Broadway Production, and will be entitled to receive rent and other compensation, the Manager may have an interest in continuing to present the production at a time when to do so is not profitable for the Company; and further recognizes the Manager may share elements of its compensation, including, without limitation, its share of Adjusted Net Profits, with some but not all Investors provided that no Investor's return is diminished as a result thereof;

(m) Recognizes that the Manager may abandon the production of the Play at any time prior to its Off-Broadway opening or close it at any time thereafter, for any reason whatsoever, and may dispose of any or all of Company assets, and that if such abandonment occurs before the opening of the Off-Broadway Production, Investors would immediately lose all or substantially all of their investments;

(n) Understands that if additional funds are needed, the Company may borrow funds to be repaid prior to the return of Investors' capital contributions, without otherwise affecting the respective interests of the Investors and that repayment of such borrowed funds will delay Investors' recoupment of their capital contributions or could result in a loss to Investors if the Company's operating profits are insufficient to repay both the borrowed funds and the contributions of Investors;

(o) Recognizes that the Company has the right to recall any distributed Adjusted Net Profits and any returned capital contributions for the purpose of paying any debts, taxes, liabilities or obligations for which Company assets are insufficient;

(p) Recognizes that the Company has the right to advance sums, with or without interest, to facilitate the formation of additional companies of the Play, and although the Company will not invest in such additional companies, there can be no assurance that any such advances will be repaid;

(q) Recognizes that as of the date of this agreement the general manager and the Consortium are entitled, collectively, to 12% of Net Profits, other parties hereafter may be granted Net Profit participations if deemed necessary in the Manager's judgment, and such Net Profit participations have the effect of diminishing the Adjusted Net Profits available to be shared by the Members (i.e., the Investors and the Manager);

(r) Recognizes that as of the date of this agreement the Company is obligated to pay the Consortium 6% of 100% of subsidiary rights income, reducing the Company's share of subsidiary rights income by up to 15% and that the Manager has the right to enter into further agreements granting a subsidiary rights participation to third parties in connection with the Play which would have the effect of further reducing the subsidiary rights income payable to the Company;

(s) Recognizes that the Manager has no obligation to distribute to Investors any funds beyond those described in paragraph SEVENTEENTH hereof and that, as a result thereof, Investors may be deemed to have taxable income without receiving from the Company sufficient funds to pay the tax obligations incurred by them in connection with such taxable income;

(t) Recognizes that the Production Contract with the Author will have to be concluded, that there is no assurance that such Production Contract will be signed, and that in such event the Company will not have the right to present the Play;

(u) Recognizes that the Production Contract and various other agreements (e.g., with actors, the director, the choreographer, theater, lighting, sound designers, etc.) will have to be concluded; and that there is no assurance that acceptable arrangements can be made

with the persons whose services the Manager would most like to retain on the terms contemplated, or at all;

(v) Recognizes that the Code and applicable state tax statutes impose strict limitations on the deductibility for federal income tax purposes of losses attributable to an investment such as that in the Company and that, in this regard, and also with respect to the other federal income tax consequences of an investment in the Company, the Company renders no opinion, and prospective investors are urged to consult with their tax advisors; and

(w) Acknowledges that Franklin, Weinrib, Rudell & Vassallo, P.C., counsel for the Company, has in the past acted, and may in the future continue to act, on a regular basis, as counsel for the Manager and its affiliates.

[Signatures on following page.]

IN WITNESS WHEREOF, the parties hereto have executed this Operating Agreement as of the 30th day of April, 2015.

AS MANAGING MEMBER

<u>Name</u>	<u>Address</u>
BLUE BLAZERS LLC	254 West 54 th Street, 14 th Floor New York, NY 10019

By: _____
Name:
Title:

<u>Name</u>	<u>Address</u>
WITZEND PRODUCTIONS, LLC	347 West 57 th Street, Suite 43D New York, NY 10019

By: _____
Name:
Title:

Signature Page for Individual Investors

**INVESTORS AUTHORIZING IMMEDIATE
USE OF FUNDS WAIVING REFUND**

THE UNDERSIGNED SIGNS THE FOREGOING AGREEMENT AS AN INVESTOR MEMBER AND AGREES THAT THE UNDERSIGNED'S CAPITAL CONTRIBUTION MAY BE USED FORTHWITH BY THE COMPANY FOR PRODUCTION OR PRE-PRODUCTION PURPOSES. THE UNDERSIGNED WAIVES THE RIGHT TO RECEIVE A REFUND OF ANY PORTION OF SUCH CONTRIBUTION EXPENDED FOR SUCH PURPOSES IF THE COMPANY ABANDONS ITS PRODUCTION PLANS. THE UNDERSIGNED OBTAINS NO ADVANTAGE BY ENTERING INTO THIS ARRANGEMENT UNLESS SUCH ADVANTAGE HAS BEEN NEGOTIATED WITH THE MANAGER.

Address:

Print Name

\$ _____
Cash Amount
Agreed to be
Contributed

Signature

Telephone Number

Social Security Number

Fax Number

Email Address

Signature Page for Entity Investors

INVESTORS AUTHORIZING IMMEDIATE
USE OF FUNDS WAIVING REFUND

THE UNDERSIGNED SIGNS THE FOREGOING AGREEMENT AS A LIMITED PARTNER AND AGREES THAT THE UNDERSIGNED'S CAPITAL CONTRIBUTION MAY BE USED FORTHWITH BY THE COMPANY FOR PRODUCTION OR PRE-PRODUCTION PURPOSES. THE UNDERSIGNED WAIVES THE RIGHT TO RECEIVE A REFUND OF ANY PORTION OF SUCH CONTRIBUTION EXPENDED FOR SUCH PURPOSES IF THE COMPANY ABANDONS ITS PRODUCTION PLANS. THE UNDERSIGNED OBTAINS NO ADVANTAGE BY ENTERING INTO THIS ARRANGEMENT UNLESS SUCH ADVANTAGE HAS BEEN NEGOTIATED WITH THE GENERAL PARTNER.

Address:

Print Name of Entity

Cash Amount
Agreed to be
Contributed

Signature of Authorized Person

Name of Authorized Person

Telephone Number

Entity's Fiscal
Year End (e.g.,
December 31)

Title of Authorized Person

Fax Number

Email Address

Tax ID Number