

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **October 11, 2019**

Chicken Soup for the Soul Entertainment Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction
of Incorporation)

001-38125

(Commission
File Number)

81- 2560811

(IRS Employer
Identification No.)

132 E. Putnam Avenue, Floor 2W, Cos Cob, CT

(Address of Principal Executive Offices)

06807

(Zip Code)

Registrant's telephone number, including area code: **(855) 398-0443**

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Ticker symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.0001 par value per share	CSSE	The Nasdaq Stock Market LLC
9.75% Series A Cumulative Redeemable Perpetual Preferred Stock, \$0.0001 par value per share	CSSEP	The Nasdaq Stock Market LLC

Item 1.01 Entry into a Material Definitive Agreement

The information set forth under Item 2.01 is incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets

On October 11, 2019, Chicken Soup for the Soul Entertainment Inc. (the "Company") consummated (the "Closing") the creation of a joint venture entity to be branded "Landmark Studio Group" ("Landmark") for the development and production of original scripted content. Landmark is governed by the terms of an operating agreement (the "Operating Agreement") entered into by Landmark and the Company, David Ozer, Legend Capital Management, LLC ("Legend"), Kevin Duncan, and Cole Investments VII, LLC ("Cole"), an affiliate of Cole Strategic Partners, each as members of Landmark.

Contributions and Consideration

In connection with the creation of Landmark, (a) Mr. Ozer has contributed certain original television series and feature films to Landmark in exchange for 21,000 units of common equity ("Common Units") of Landmark, (b) Legend has contributed an original television series to Landmark in exchange for 2,000 Common Units, (c) the Company and its affiliates agreed to provide promotion and distribution support to Landmark pursuant to a distribution agreement which provides for a revolving \$5 million minimum guarantee facility ("Distribution Agreement"), in exchange for 51,000 Common Units, (d) Cole has made available to Landmark a \$5 million revolving credit facility (the "Credit Facility") in exchange for 25,000 Common Units, and (e) Mr. Duncan received 1,000 Common Units in consideration for introducing the parties and assisting in the negotiation of the transaction.

The Company will provide management services to Landmark, including the services of the officers of the Company, office space, back office support, accounting, and financial services support, and technology resources and support for a quarterly fee equal to 5% of the fees that Landmark receives during the production of any series, film, or special, including all executive producer fees, producer fees, overhead, and similar fees retained by Landmark. The Company will also arrange sponsorship for Landmark's content, and will be entitled to commissions equal to 20% of certain specified revenue generated by such sponsorship.

Landmark Operating Agreement

The terms of the Operating Agreement include the provisions described below.

Management

The Company, as majority owner of the Common Units of Landmark, will manage the day to day operations of Landmark through its officers that are also serving as officers of Landmark. Landmark will maintain a board of managers, with three managers designated by the Company, who shall initially be William J. Rouhana, Jr., David Fannon, and Elana Sofko, one manager designated by Cole, who shall initially be Simon Misselbrook, and, so long as Mr. Ozer is employed by Landmark, Mr. Ozer shall be the fifth manager.

Certain actions will require the unanimous consent of the board of managers, including (a) amending, altering, or repealing any provision in the Operating Agreement, (b) amending, modifying, or waiving any provision of the Distribution Agreement, and (c) entering into certain agreements with affiliates.

Transfer Restrictions

No member of Landmark may sell, transfer, or assign its Common Units without the prior written consent of the members holding at least 51% of the then-outstanding equity of Landmark, except that Legend may transfer its Common Units to Mr. Duncan upon ten days written notice to Landmark with Landmark's prior written consent. Customary tag-along rights apply to permitted transfers of Common Units to third parties, and the Company has a drag-along right with respect to permitted transfers of all of the Company's Common Units.

Cole Purchase Rights

At any time prior to the maturity date of the Credit Facility, Cole may elect to convert all or a portion of the outstanding principal and accrued unpaid interest under the Credit Facility into additional equity of Landmark, up to an aggregate of 4,000 Common Units, with a corresponding reduction of the equity ownership of Mr. Ozer, as follows: for each \$1 million of principal and accrued unpaid interest converted by Cole (up to a maximum of \$4 million), Cole shall be entitled to 1,000 Common Units, and Mr. Ozer will forfeit 1,000 Common Units. If the outstanding principal and accrued unpaid interest under the Credit Facility is less than \$4 million at the time of conversion, Cole may elect to purchase that number of Common Units for cash, at a price of \$1 million per 1,000 Common Units, and cause Mr. Ozer to forfeit such number of Common Units, to the extent that, when combined with the Common Units issued upon conversion, Cole will be issued an aggregate of 4,000 Common Units and Mr. Ozer will forfeit an aggregate of 4,000 Common Units.

The foregoing description of the Operating Agreement does not purport to be complete, and is qualified in its entirety by reference to the Operating Agreement that is filed as Exhibit 10.1 to this Current Report on Form 8-K.

Cole Security Interest in Assets of Landmark

In connection with the Credit Facility, Landmark granted to Cole a security interest in all tangible and intangible assets of Landmark, except for Landmark's equity interests in certain production subsidiaries of Landmark. Landmark's production subsidiaries are permitted to secure production and distribution financing from third parties, and the equity interests of Landmark in such production subsidiaries shall not constitute collateral under the Credit Facility until all production and distribution financing indebtedness of such production subsidiaries has been repaid.

Item 8.01 Other Events.

On October 15, 2019, the Company issued a press release announcing the Closing, a copy of which is filed herewith as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
10.1*	Limited Liability Company Operating Agreement, dated as of October 11, 2019, by and among Landmark Studio Group, Chicken Soup for the Soul Entertainment Inc., Cole Investments VII LLC, David Ozer, Legend Capital Management, LLC, and Kevin Duncan.
99.1	Press release dated October 15, 2019.

* The schedules and exhibits to the Operating Agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Chicken Soup for the Soul Entertainment Inc. agrees to furnish supplementally a copy of such schedules and exhibits, or any section thereof, to the Securities and Exchange Commission upon request.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 18, 2019

CHICKEN SOUP FOR THE SOUL ENTERTAINMENT INC.

By: /s/ William J. Rouhana, Jr.

Name: William J. Rouhana, Jr.

Title: Chief Executive Officer

LIMITED LIABILITY COMPANY AGREEMENT

among

LANDMARK STUDIO GROUP LLC

and

CHICKEN SOUP FOR THE SOUL ENTERTAINMENT, INC.,

COLE INVESTMENTS VII, LLC,

DAVID OZER,

LEGEND CAPITAL MANAGEMENT, LLC

and

KEVIN V. DUNCAN

dated as of

October 11, 2019

LIMITED LIABILITY COMPANY AGREEMENT

This Limited Liability Company Agreement of LANDMARK STUDIO GROUP LLC, a Delaware limited liability company (the “**Company**”), is entered into as of October 11, 2019 (“**Effective Date**”) by and among the Company, CHICKEN SOUP FOR THE SOUL ENTERTAINMENT, INC., a Delaware corporation (“**CSSE**”), COLE INVESTMENTS VII, LLC, a Delaware limited liability company (“**Cole**”), DAVID OZER, an individual (“**Ozer**”), LEGEND CAPITAL MANAGEMENT, LLC, a New York limited liability company (“**Legend**”), and KEVIN V. DUNCAN, an individual (“**Duncan**”).

RECITALS

WHEREAS, the Company was formed under the laws of the State of Delaware by the filing of a Certificate of Formation with the Secretary of State of Delaware (the “**Secretary of State**”) on September 16, 2019 (the “**Certificate of Formation**”);

WHEREAS, each of CSSE, Cole, Ozer and Legend are founding members of the Company (the “**Founding Members**”), making their respective contributions and receiving their respective initial Membership Interests (as defined) on the Effective Date and concurrently with the execution of this Agreement; and

WHEREAS, the Members wish to enter into this Agreement setting forth the terms and conditions governing the operation and management of the Company.

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:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in this Section 1.01:

“**Additional Capital Contributions**” has the meaning set forth in Section 3.04(a).

“**Adjusted Capital Account Deficit**” means, with respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(a) crediting to such Capital Account any amount that such Member is obligated to restore or is deemed to be obligated to restore pursuant to Treasury Regulations Sections 1.704-1(b)(2)(ii)(c), 1.704-2(g)(1) and 1.704-2(i); and

(b) debiting to such Capital Account the items described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

“**Adjusted Taxable Income**” of a Member for a Fiscal Year (or portion thereof) with respect to the Membership Interest held by such Member means the federal taxable income allocated by the Company to the Member with respect to its Membership Interest (as adjusted by any final determination in connection with any tax audit or other proceeding) for such Fiscal Year (or portion thereof); *provided*, that such taxable income shall be computed (a) minus any excess taxable loss or excess taxable credits of the Company for any prior period allocable to such Member with respect to its Membership Interest that were not previously taken into account for purposes of determining such Member’s Adjusted Taxable Income in a prior Fiscal Year to the extent such loss or credit would be available under the Code to offset income of the Member (or, as appropriate, the direct or indirect owners of the Member) determined as if the income, loss, and credits from the Company were the only income, loss, and credits of the Member (or, as appropriate, the direct or indirect owners of the Member) in such Fiscal Year and all prior Fiscal Years, and (b) taking into account any special basis adjustment with respect to such Member resulting from an election by the Company under Code Section 754.

“**Affiliate**” means, with respect to any Person, any other Person who, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with, such Person. For purposes of this definition, “**control**,” when used with respect to any specified Person, shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise; and the terms “**controlling**” and “**controlled**” shall have correlative meanings; *provided, however*, that for purposes of this Agreement the term “Affiliate” does not, when used with respect to a Member, include the Company.

“**Agreement**” means this Limited Liability Company Agreement, as executed and as it may be amended, modified, supplemented or restated from time to time, as provided herein.

“**Applicable Law**” means all applicable provisions of (a) constitutions, treaties, statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, declarations or orders of any Governmental Authority; (b) any consents or approvals of any Governmental Authority; and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority.

“**Arbitrator**” has the meaning set forth in Section 13.12(a).

“**Bankruptcy**” means, with respect to a Member, the occurrence of any of the following: (a) the filing of an application by such Member for, or a consent to, the appointment of a trustee of such Member’s assets; (b) the filing by such Member of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing such Member’s inability to pay its debts as they come due; (c) the making by such Member of a general assignment for the benefit of such Member’s creditors; (d) the filing by such Member of an answer admitting the material allegations of, or such Member’s consenting to, or defaulting in answering a bankruptcy petition filed against such Member in any bankruptcy proceeding; or (e) the expiration of sixty (60) days following the entry of an order, judgment or decree by any court of competent jurisdiction adjudicating such Member bankrupt or appointing a trustee of such Member’s assets.

“**BBA**” means the Bipartisan Budget Act of 2018, as modified, amended or superseded by the Budget Resolution of 2019.

“**BBA Procedures**” has the meaning set forth in Section 11.04(c).

“**Board**” has the meaning set forth in Section 7.01.

“**Book Depreciation**” means, with respect to any Company asset for each Fiscal Year, the Company’s depreciation, amortization, or other cost recovery deductions determined for federal income tax purposes, except that if the Book Value of an asset differs from its adjusted tax basis at the beginning of such Fiscal Year, Book Depreciation shall be an amount which bears the same ratio to such beginning Book Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; *provided*, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero and the Book Value of the asset is positive, Book Depreciation shall be determined with reference to such beginning Book Value using any permitted method selected by the Board in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g)(3).

“**Book Value**” means, with respect to any Company asset, the adjusted basis of such asset for federal income tax purposes, except as follows:

(a) the initial Book Value of any Company asset contributed by a Member to the Company shall be the gross Fair Market Value of such Company asset as of the date of such contribution;

(b) immediately prior to the distribution by the Company of any Company asset to a Member, the Book Value of such asset shall be adjusted to its gross Fair Market Value as of the date of such distribution;

(c) the Book Value of all Company assets shall be adjusted to equal their respective gross Fair Market Values, as of the following times:

(i) the acquisition of an additional Membership Interest by a new or existing Member in consideration for more than *ade minimis* Capital Contribution;

(ii) the distribution by the Company to a Member of more than a *de minimis* amount of property (other than cash) as consideration for all or a part of such Member’s Membership Interest; and

(iii) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g);

(d) if the Book Value of a Company asset has been determined pursuant to paragraph (a) or adjusted pursuant to paragraphs (c) or (d) above, such Book Value shall thereafter be adjusted to reflect the Book Depreciation taken into account with respect to such Company asset for purposes of computing Net Income and Net Losses.

“**Budget**” has the meaning set forth in Section 7.12.

“**Business**” has the meaning set forth in Section 2.05(a).

“**Business Day**” means a day other than a Saturday, Sunday or other day on which commercial banks in the City of New York are authorized or required to close.

“**Capital Account**” has the meaning set forth in Section 3.06.

“**Capital Contribution**” means, for any Member, the total amount of cash and cash equivalents and the Book Value of any property contributed to the Company by such Member.

“**Certificate of Formation**” has the meaning set forth in the Recitals.

“**Chairperson**” has the meaning set forth in Section 7.08.

“**Code**” means the Internal Revenue Code of 1986.

“**Committee**” has the meaning set forth in Section 7.09(a).

“**Company**” has the meaning set forth in the Preamble.

“**Company Interest Rate**” has the meaning set forth in Section 6.03(c).

“**Company Minimum Gain**” means “partnership minimum gain” as defined in Treasury Regulations Section 1.704-2(b)(2), substituting the term “Company” for the term “partnership” as the context requires.

“**Confidential Information**” has the meaning set forth in Section 10.01(a).

“**Contributing Member**” has the meaning set forth in Section 3.04(b).

“**Covered Person**” has the meaning set forth in Section 8.01(a).

“**Default Loan**” has the meaning set forth in Section 3.04(b).

“**Defaulting Member**” means a Member that has (a) failed to make an Additional Capital Contribution as may be required by Section 3.04 (only for such time as it is a Non-Contributing Member) or (b) breached any material covenant, duty or obligation under this Agreement and such breach remains uncured for fifteen (15) days after written notice of such breach by the Company or by the Board, as applicable, to such Member.

“**Delaware Act**” means the Delaware Limited Liability Company Act, Title 6, Chapter 18, §§ 18-101, et seq.

“**Designated Individual**” has the meaning set forth in Section 11.04(a).

“**Electronic Transmission**” means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process.

“**Estimated Tax Amount**” of a Member for a Fiscal Year means the Member’s Tax Amount for such Fiscal Year as estimated in good faith from time to time by the Board. In making such estimate, the Board shall take into account amounts shown on Internal Revenue Service Form 1065 filed by the Company and similar state or local forms filed by the Company for the preceding taxable year and such other adjustments as the Board reasonably determines are necessary or appropriate to reflect the estimated operations of the Company for the Fiscal Year.

“**Excess Amount**” has the meaning set forth in Section 6.02(c).

“**Fair Market Value**” of any asset as of any date means the purchase price that a willing buyer having all relevant knowledge would pay a willing seller for such asset in an arm’s length transaction. Unless otherwise provided herein, Fair Market Value shall be as determined in good faith by the Board, including Ozer Manager.

“**Fiscal Year**” means the calendar year, unless the Company is required to have a taxable year other than the calendar year, in which case Fiscal Year shall be the period that conforms to its taxable year.

“**GAAP**” means United States generally accepted accounting principles.

“**Governmental Authority**” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction.

“**Government Official**” means (a) any officer, director, employee, appointee or official representative of a Governmental Authority; (b) any political party or party official; or (c) any candidate for political or judicial office.

“**Indebtedness**” of any Person means (without duplication) (a) all indebtedness of such Person for borrowed money; (b) all obligations of such Person which are evidenced by notes, bonds, debentures or similar instruments; (c) all obligations of such Person that have been, or should be, in accordance with GAAP, recorded as capital leases; (d) all obligations of such Person that have been, or should be, in accordance with GAAP, recorded as a sale-leaseback transaction or a leveraged lease; (e) all obligations of such Person in respect of letters of credit or acceptances issued or created for the account of such Person; (f) all liabilities for the deferred purchase price of property or services (other than current liabilities incurred in the ordinary course of business) and (g) all direct or indirect guarantees (including “keep well” arrangements, support agreements and similar agreements) with respect to Indebtedness of any other Person.

“**Initial Capital Contribution**” has the meaning set forth in Section 3.03(a).

“**Initial Public Offering**” has the meaning set forth in Section 9.04(a).

“**Issuance Notice**” has the meaning set forth in Section 3.05(b).

“**JAMS**” has the meaning set forth in Section 13.12.

“**Joinder Agreement**” means the joinder agreement in form and substance attached hereto as Exhibit A.

“**Liquidator**” has the meaning set forth in Section 12.03(a).

“**Losses**” has the meaning set forth in Section 8.03(a).

“**Manager**” has the meaning set forth in Section 7.01.

“**Managers Schedule**” has the meaning set forth in Section 7.03(d).

“**Maximum Number of Shares**” has the meaning set forth in Section 9.05(a).

“**Member**” means (a) each Founding Member and (b) each Person who is hereafter admitted as a Member in accordance with the terms of this Agreement and the Delaware Act. The Members shall constitute the “members” (as that term is defined in the Delaware Act) of the Company.

“**Member Nonrecourse Debt**” means “partner nonrecourse debt” as defined in Treasury Regulations Section 1.704-2(b)(4), substituting the term “Company” for the term “partnership” and the term “Member” for the term “partner” as the context requires.

“**Member Nonrecourse Debt Minimum Gain**” means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if the Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Treasury Regulations Section 1.704-2(i)(3).

“**Member Nonrecourse Deduction**” means “partner nonrecourse deduction” as defined in Treasury Regulations Section 1.704-2(i), substituting the term “Member” for the term “partner” as the context requires.

“**Membership Interest**” means an interest in the Company owned by a Member, including such Member’s right (a) to its distributive share, if any, of Net Income, Net Losses and other items of income, gain, loss and deduction of the Company; (b) to its distributive share of the assets of the Company; (c) to vote on, consent to, or otherwise participate in any decision of the Members as provided in this Agreement; and (d) to any and all other benefits to which such Member may be entitled as provided in this Agreement or the Delaware Act.

“**Net Income**” and “**Net Loss**” mean, for each Fiscal Year or other period specified in this Agreement, an amount equal to the Company’s taxable income or taxable loss, or particular items thereof, determined in accordance with Code Section 703(a) (where, for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or taxable loss), but with the following adjustments:

(a) any income realized by the Company that is exempt from federal income taxation, as described in Code Section 705(a)(1)(B), shall be added to such taxable income or taxable loss, notwithstanding that such income is not includable in gross income;

(b) any expenditures of the Company described in Code Section 705(a)(2)(B), including any items treated under Treasury Regulations Section 1.704-1(b)(2)(iv)(I) as items described in Code Section 705(a)(2)(B), shall be subtracted from such taxable income or taxable loss, notwithstanding that such expenditures are not deductible for federal income tax purposes;

(c) any gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Book Value of the property so disposed, notwithstanding that the adjusted tax basis of such property differs from its Book Value;

(d) any items of depreciation, amortization and other cost recovery deductions with respect to Company property having a Book Value that differs from its adjusted tax basis shall be computed by reference to the property's Book Value (as adjusted for Book Depreciation) in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g);

(e) if the Book Value of any Company property is adjusted as provided in the definition of Book Value, then the amount of such adjustment shall be treated as an item of gain or loss and included in the computation of such taxable income or taxable loss; and

(f) to the extent an adjustment to the adjusted tax basis of any Company property pursuant to Code Sections 732(d), 734(b) or 743(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis).

“**Non-Contributing Member**” has the meaning set forth in Section 3.04(b).

“**Nonrecourse Deductions**” has the meaning set forth in Treasury Regulations Section 1.704-2(b).

“**Nonrecourse Liability**” has the meaning set forth in Treasury Regulations Section 1.704-2(b)(3).

“**Non-Transferring Member**” has the meaning set forth in Section 9.02(b).

“**Officers**” has the meaning set forth in Section 7.10.

“**Participating Member**” has the meaning set forth in Section 3.05(b).

“**Partnership Representative**” has the meaning set forth in Section 11.04(a).

“**Percentage Interest**” means, with respect to a Member at any time, the percentage set forth opposite such Member's name on Schedule A attached hereto (such percentage being understood to be reflective of the economic interest in the Company represented by such Member's Common Units). The Percentage Interests shall at all times aggregate to 100%.

“**Permitted Transfer**” means a Transfer of a Membership Interest carried out pursuant to Section 9.02.

“**Permitted Transferee**” means a recipient of a Permitted Transfer.

“**Person**” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

“**Proposed Issuance**” has the meaning set forth in Section 3.05(b).

“**Quarterly Estimated Tax Amount**” of a Member for any calendar quarter of a Fiscal Year means the excess, if any, of (a) the product of (i) a quarter ($\frac{1}{4}$) in the case of the first calendar quarter of the Fiscal Year, half ($\frac{1}{2}$) in the case of the second calendar quarter of the Fiscal Year, three-quarters ($\frac{3}{4}$) in the case of the third calendar quarter of the Fiscal Year, and one (1) in the case of the fourth calendar quarter of the Fiscal Year and (ii) the Member's Estimated Tax Amount for such Fiscal Year, over (b) all distributions previously made during such Fiscal Year to such Member.

“**Reconvened Meeting**” has the meaning set forth in Section 7.05(a).

“**Regulatory Allocations**” has the meaning set forth in Section 5.02(e).

“**Representative**” means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

“**Secretary of State**” has the meaning set forth in the Recitals.

“**Securities Act**” means the Securities Act of 1933.

“**Shortfall Amount**” has the meaning set forth in Section 6.02(b).

“**Subsidiary**” means, with respect to any Person, any other Person of which a majority of the outstanding shares or other equity interests having the power to vote for directors or comparable managers are owned, directly or indirectly, by the first Person.

“**Suspended Meeting**” has the meaning set forth in Section 7.05(a).

“**Tag-Along Notice**” has the meaning set forth in Section 9.02(b).

“**Tagging Member**” has the meaning set forth in Section 9.02(b).

“**Tagging Units**” has the meaning set forth in Section 9.02(b).

“**Tax Amount**” of a Member for a Fiscal Year means the product of (a) the Tax Rate for such Fiscal Year and (b) the Adjusted Taxable Income of the Member for such Fiscal Year with respect to its Membership Interest.

“**Tax Distribution**” has the meaning set forth in Section 6.02(a).

“**Tax Rate**” for all Members shall mean, for any period, the highest combined marginal rate of federal, state, and local tax rate imposed on any Member for such period based on the applicable marginal rate for such Member’s taxation jurisdiction.

“**Taxing Authority**” has the meaning set forth in Section 6.03(b).

“**Term**” has the meaning set forth in Section 2.06.

“**Third Party Purchaser**” has the meaning set forth in Section 9.02(b).

“**Third Party Sale Notice**” has the meaning set forth in Section 9.02(b).

“**Transfer**” means to, directly or indirectly, sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of, either voluntarily or involuntarily, by operation of law or otherwise, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation or similar disposition of, any Membership Interest owned by a Person or any interest (including a beneficial interest or any direct or indirect economic or voting interest) in any Membership Interest owned by a Person; *provided* that none of an issuance, disposition, redemption or repurchase of any interests in an indirect or direct parent entity of a Member shall be deemed to be a Transfer of a Membership Interest, including by means of a disposition of interests in a Member or in a Person that directly or indirectly holds any interests in a Member. “**Transfer**” when used as a noun shall have a correlative meaning. “**Transferor**” and “**Transferee**” mean a Person who makes or receives a Transfer, respectively.

“**Treasury Regulations**” means the final or temporary regulations issued by the United States Department of Treasury pursuant to its authority under the Code, and any successor regulations.

“**Units**” has the meaning set forth in Section 3.01.

“**Withholding Advances**” has the meaning set forth in Section 6.03(b).

Section 1.02 Interpretation. For purposes of this Agreement: (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. The definitions given for any defined terms in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Exhibits and Schedules mean the Articles and Sections of, and Exhibits and Schedules attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented or modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Exhibits and Schedules referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

ARTICLE II

ORGANIZATION

Section 2.01 Formation.

(a) The Company was formed on the Effective Date, pursuant to the provisions of the Delaware Act, upon the filing of the Certificate of Formation with the Secretary of State.

(b) This Agreement shall constitute the “limited liability company agreement” (as that term is used in the Delaware Act) of the Company. The rights, powers, duties, obligations and liabilities of the Members shall be determined pursuant to the Delaware Act and this Agreement. To the extent that the rights, powers, duties, obligations and liabilities of any Member are different by reason of any provision of this Agreement than they would be under the Delaware Act in the absence of such provision, this Agreement shall, to the extent permitted by the Delaware Act, control.

Section 2.02 Name. The name of the Company is Landmark Studio Group LLC, or such other name or names as may be designated by the Board *provided*, that the name shall always contain the words “Limited Liability Company” or the abbreviation “L.L.C.” or the designation “LLC.” The Board shall give prompt notice to the Members of any change to the name of the Company.

Section 2.03 Principal Office. The principal office of the Company is located at 132 E. Putnam Ave, Cos Cob, Connecticut 06807, or such other place as may from time to time be determined by the Board. The Board shall give prompt notice of any such change to each of the Members.

Section 2.04 Registered Office; Registered Agent.

(a) The registered office of the Company shall be the office of the initial registered agent named in the Certificate of Formation or such other office (which need not be a place of business of the Company) as the Board may designate from time to time in the manner provided by the Delaware Act and Applicable Law.

(b) The registered agent for service of process on the Company in the State of Delaware shall be the initial registered agent named in the Certificate of Formation or such other Person or Persons as the Board may designate from time to time in the manner provided by the Delaware Act and Applicable Law.

Section 2.05 Purpose; Powers.

(a) The purposes of the Company are to engage in (i) the development, production and distribution of original, scripted content, to be produced under the *Landmark* brand and other proprietary and licensed brands, (ii) any and all activities necessary or incidental thereto, and (iii) any other lawful business, operations or purpose the Company by proper authorization undertakes (collectively, the “**Business**”).

(b) The Company shall have all the powers necessary or convenient to carry out the purposes for which it is formed, including the powers granted by the Delaware Act.

Section 2.06 Term. The term of the Company (“**Term**”) commenced on the date the Certificate of Formation was filed with the Secretary of State and shall continue in existence perpetually until the Company is dissolved in accordance with the provisions of this Agreement.

Section 2.07 No State-Law Partnership. The Members intend that the Company shall not be a partnership (including a limited partnership) or joint venture, and that no Member, Manager, or Officer of the Company shall be a partner or joint venturer of any other Member, Manager or Officer of the Company, for any purposes other than as set forth in Section 11.03.

ARTICLE III

MEMBERSHIP UNITS; CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS

Section 3.01 Membership Units. The Membership Interest of each of the Members of the Company shall be represented by a number of “Units.”

Section 3.02 Classes of Membership Interests. There shall initially be one class of Membership Interests, designated as “Membership Interests” issued in “Common Units.” Unless one or more different classes of Membership Interests are created by the Company as provided in this Agreement, only Members holding the Common Units shall have the right to share in the Net Income and Net Loss of the Company as provided in this Agreement and the right to receive distributions from the Company as provided in this Agreement, including in cases of distributions made upon liquidation or winding up of the Company. Holders of Common Units shall have the right to receive information concerning the business and affairs of the Company. Holders of the Common Units shall have the right to vote as specifically set forth in this Agreement and as otherwise required by Applicable Law.

Section 3.03 Initial Capital Contributions. Concurrently with the formation and founding of the Company, and in consideration of the Common Units granted in connection with the founding of the Company on the Effective Date, the following initial contributions to the capital of the Company are being made by the Members (the “Initial Capital Contributions”): (a) CSSE is contributing all of the assets and rights set forth on *Schedule 3.03(a)* hereto as prescribed by the Distribution Agreement between the Company and Screen Media Ventures, LLC dated as of the Effective Date, and attached hereto as Exhibit B (“Distribution Agreement”), (b) Ozer is contributing all of the assets and rights set forth on *Schedule 3.03(b)* hereto as prescribed by the Assignment and Assumption Agreement, dated as of the Effective Date and attached hereto as Exhibit C, (c) Cole is extending a \$5 million revolving credit line to the Company under the terms of a Credit Agreement, dated as of the Effective Date and attached hereto as Exhibit D (“Cole Credit Line”), (d) Legend is contributing all of the assets and rights set forth on *Schedule 3.03(c)* hereto, as prescribed by the Assignment and Assumption Agreement, dated as of the Effective Date and attached hereto as Exhibit D, and (e) Duncan has assisted in the introduction of the parties and the negotiation of the transaction contemplated hereby and the Cole Credit Line.

Section 3.04 Additional Capital Contributions.

(a) In addition to their Initial Capital Contributions, the Members shall make additional Capital Contributions in cash, in proportion to their respective Common Units, if a call for same is made by the Board (such additional Capital Contributions, the “Additional Capital Contributions”) in accordance with this Section 3.04. A call for Additional Capital Contributions shall only be made by the Board in the event the Company does not have or is not reasonably likely to have prior to the end of the immediately following 120-day period sufficient capital to continue business operations as then being conducted (a “Reasonable Need for Capital”). Upon the Board making a call for Additional Capital Contributions based on a Reasonable Need for Capital, the Company shall deliver to the Members a written notice of the call for Additional Capital Contributions, which notice shall specify in reasonable detail (i) the purpose for such Additional Capital Contributions, (ii) the aggregate amount of such Additional Capital Contributions, (iii) each Member’s pro rata share of such aggregate amount of Additional Capital Contributions (based upon such Member’s Percentage Interest), and (iv) the date (which date shall not be less than thirty (30) days following the date that such notice is given) on which such Additional Capital Contributions shall be required to be made by the Members.

(b) If any Member does not timely make, or notifies the Company that it shall not make, all or any portion of any Additional Capital Contribution that such Member is obligated to make under Section 3.04(a), then such Member shall be deemed to be a “**Non-Contributing Member**.” If there is one or more Non-Contributing Members, the Board may elect to allow each other Member which made an Additional Capital Contribution pursuant to Section 3.04(a) (each a “**Contributing Member**”) to fund the Non-Contributing Member’s portion of the Additional Capital Contribution (the “**Funding Shortfall**”), based on the Percentage Interests of such Contributing Members relative to each other, and if any shortfall thereafter exists, the Contributing Members that funded their pro rata portion of the Funding Shortfall (each a “**Shortfall Funding Member**”) shall be entitled to make up such shortfall, based on the Percentage Interest of such Shortfall Funding Members. In lieu of or in addition to the foregoing procedures to fund a Funding Shortfall, the Board may elect to sell additional Units or secure loans as prescribed by Section 3.05, below, as the Board shall determine. Any and all Funding Shortfall amounts funded by the Contributing Members and Shortfall Funding Members shall be deemed contributed by such Members as an Additional Capital Contribution and their respective Percentage Interests shall be increased by, and the Non-Contributing Member’s Percentage Interest shall be decreased based on (i) the amount equal to their respective share of the Funding Shortfall so funded and (ii) the Current Company Valuation. For example, if the Funding Shortfall funded by the Contributing Members and Shortfall Funding Members is \$1 million, and there is one Non-Contributing Member, and the Current Company post-money valuation is \$20 million, the Non-Contributing Member’s Percentage Interest shall be reduced by the deduction of 5% of such Percentage Interest on an absolute basis (e.g. if the Percentage Interest of the Non-Contributing Member is 35% it will be reduced to 30%) and the 5% Percentage Interest so deducted shall be allocated pro ratably to the Contributing Members and Shortfall Funding Members. The “**Current Company Valuation**” shall be the post-money valuation of the Company determined on a going concern basis using customary discounted cash flow and merger and acquisition principles in the industry in which the Company operates as approved by all members of the Board, such approval not to be unreasonably withheld, delayed or conditioned. If any Member (“**Disputing Member**”) thereafter disagrees with a Current Company Valuation established at any time, then within ten (10) Business Days of delivery of same to the Board, the Disputing Member may provide written notice of such disagreement to the Company and the Board shall engage an independent investment banking firm reasonably acceptable to all members of the Board within ten (10) Business Days of such notice to determine a current valuation of the Company on the same substantive basis as was approved by the Board above (an “**Independent Valuation**”). The investment banking firm shall be charged with providing the Independent Valuation within 30 days of such engagement. If the value of the Company as determined in the Independent Valuation is equal to or greater than 90% and equal to or less than 110% of the Current Company Valuation, the Disputing Member shall be responsible for the fees and expenses of the independent banking firm so engaged. If the value of the Company as determined in the Independent Valuation is less than 90% or greater than 110% of the Current Company Valuation, the Company shall be responsible for the fees and expenses of the independent banking firm so engaged.

(c) Except as set forth in this Section 3.04 or Section 3.08, no Member shall be required to make additional Capital Contributions or make loans to the Company.

Section 3.05 Other Funding of the Company; Issuance of Additional Membership Interests; Loans.

(a) The Board may determine from time to time where there is a Reasonable Need for Capital and a Funding Shortfall existing not as a result of CSSE's failure to meet a call for an Additional Capital Contribution to issue (i) additional Units of Membership Interests in the form of additional Common Units or create and issue new series, types or classes of equity interests, including preferred interest, in the Company with such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof as the Board may determine and authorize, (ii) obligations, evidences of indebtedness or other securities or interests of the Company, including that which are convertible or exchangeable into Membership Interests or other equity interests in the Company, and which is secured by assets of the Company by Liens junior to the Cole Credit Line to the extent the Cole Credit Line is then outstanding (in such event the parties shall negotiate an intercreditor agreement in good faith), and (iii) warrants, options or other rights to purchase or otherwise acquire Membership Interests or other equity interests in the Company, in each case to any Person in such amounts and on such terms as so approved by the Board. Notwithstanding anything to the contrary in this Section 3.05(a), if any loan is being made to the Company under clause (ii) of this Section by one or more Members or any persons affiliated with a Member, such loan shall (w) be made pro ratably by such Members (based on their Percentage Interests relative to one another), (x) bear interest at a rate no higher than 15%, (y) will be repayable before any distributions are made to the Members pursuant to Section 6.01(a) of this Agreement, and (z) will be subordinate in right of payment to debt under the Cole Credit Line.

(b) Each Member shall have a preemptive right to participate in any issuance of new Units (including, without limitation, securities or debt convertible into or exercisable or exchangeable for Units and warrants, options or other rights to purchase or otherwise acquire Units) that the Company may, from time to time, propose to sell and issue to any Person or Persons (each, a "**Proposed Issuance**"); *provided* that such issuance does not fall within the exclusions described in Section 3.05(c). In the event the Company proposes to undertake a Proposed Issuance, then, with respect to each such Proposed Issuance, the Company shall give each of the applicable Members a written notice of its intention (the "**Issuance Notice**"), describing (a) the quantity of new Units to be issued, (b) the price and the terms and conditions (including the proposed acquiror(s)) upon which the Company proposes to make such Proposed Issuance and (c) the number of new Units such Member shall have a right to purchase, which number shall be equal to the total number of new Units to be issued multiplied by the pro rata portion of all of the Company's outstanding Units then held by such Member (which pro rata portion shall be calculated as of the date of such Issuance Notice). The Members shall only be obligated to pay cash for the new Units. Each of the Members shall have twenty (20) days from the date of receipt of the Issuance Notice to agree, by giving written notice to the Company and stating therein its election to purchase all or any portion of the total new Units allocated to such Member at the same price and on the same terms and conditions and at the same time as the Proposed Issuance (any Member electing to exercise its preemptive right by providing such notice, the "**Participating Member**"). If any such Member fails to deliver such notice within such twenty (20) day period, it shall be deemed not to have exercised its preemptive right under this Section 3.05(b) with respect to such Proposed Issuance. In the event that any Member elects not to purchase all of such Member's allocated portion of the new Units or is deemed not to exercise its preemptive rights, the Participating Members shall have the right to purchase, for a subsequent ten (10) day period, their respective pro rata portions of any non-participating Member's allotment pursuant to this Section that a non-participating Member did not elect to purchase. The Company may, during the ninety (90) day period following the expiration of the exercise periods set forth above, issue the remaining unsubscribed portion of the Proposed Issuance at a price not less than, and upon terms no more favorable to the offeree than those specified in, the Issuance Notice.

(c) The provisions of Section 3.05(b) shall not be applicable to any Units and Units deemed issued pursuant to the following options and convertible securities: (i) Units, options or convertible securities issued as a dividend, recapitalization, split, split-up, or distribution on Units; (ii) Units or convertible securities actually issued upon the exercise of options or the conversion or exchange of convertible securities, in each case provided such issuance is pursuant to the terms of options or convertible or exchangeable securities which are not otherwise prohibited by this Agreement; (iii) any options granted to employees or officers of the Company or its Affiliates in connection with their service to the Company; and (iv) Units, options or other securities issued in connection with a conversion of the Company to a corporation or other legal form that is approved by the Board. If the Company consummates an Initial Public Offering, the terms of Section 3.05(b) shall terminate immediately prior, and shall not apply, to the Initial Public Offering.

Section 3.06 Maintenance of Capital Accounts. The Company shall establish and maintain for each Member a separate capital account (a "**Capital Account**") on its books and records in accordance with this Section 3.06. Each Capital Account shall be established and maintained in accordance with the following provisions:

- (a) Each Member's Capital Account shall be increased by the amount of:
 - (i) such Member's Capital Contributions, including such Member's initial Capital Contribution and any Additional Capital Contributions;
 - (ii) any Net Income or other item of income or gain allocated to such Member pursuant to Article V; and
 - (iii) any liabilities of the Company that are assumed by such Member or secured by any property distributed to such Member.
- (b) Each Member's Capital Account shall be decreased by:
 - (i) the cash amount or Book Value of any property distributed to such Member pursuant to Article VI and Section 12.03(c);
 - (ii) the amount of any Net Loss or other item of loss or deduction allocated to such Member pursuant to Article V; and
 - (iii) the amount of any liabilities of such Member assumed by the Company or that are secured by any property contributed by such Member to the Company.

Section 3.07 Succession Upon Transfer. In the event that any Membership Interest is Transferred in accordance with the terms of this Agreement, the Transferee shall succeed to the Capital Account of the Transferor to the extent it relates to the Transferred Membership Interest and, subject to Section 5.04, shall receive allocations and distributions pursuant to Article V, Article VI and Article XII in respect of such Membership Interest.

Section 3.08 Negative Capital Accounts. In the event that any Member shall have a deficit balance in its Capital Account, such Member shall have no obligation, including during the Term or upon dissolution or liquidation of the Company, to restore such negative balance or make any Capital Contributions to the Company by reason thereof, except as may be required by Applicable Law or in respect of any negative balance resulting from a withdrawal of capital or dissolution in contravention of this Agreement.

Section 3.09 No Withdrawals from Capital Accounts. No Member shall be entitled to withdraw any part of its Capital Account or to receive any distribution from the Company, except as otherwise provided in this Agreement. No Member shall receive any interest, salary, management or service fees, or drawing with respect to its Capital Contributions or its Capital Account, except as otherwise provided in this Agreement. The Capital Accounts are maintained for the sole purpose of allocating items of income, gain, loss and deduction among the Members and shall have no effect on the amount of any distributions to any Members, in liquidation or otherwise.

Section 3.10 Loans from Members. Loans by any Member to the Company shall not be considered Capital Contributions and shall not affect the maintenance of such Member's Capital Account, other than to the extent provided in Section 3.04 and Section 3.06, if applicable.

Section 3.11 Modifications. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations Section 1.704-1(b) and shall be interpreted and applied in a manner consistent with such Treasury Regulations. If the Board determines that it is prudent to modify the manner in which the Capital Accounts, or any increases or decreases to the Capital Accounts, are computed in order to comply with such Treasury Regulations, the Board may authorize such modifications.

ARTICLE IV

MEMBERS

Section 4.01 Admission of New Members.

(a) New Members may be admitted from time to time (i) in connection with the issuance of Membership Interests by the Company in accordance with this Agreement, and (ii) in connection with a Transfer of Membership Interests, subject to compliance with the provisions of Article IX, and in either case, following compliance with the provisions of Section 4.01(b).

(b) In order for any Person not already a Member of the Company to be admitted as a Member, whether pursuant to an issuance or Transfer of Membership Interests, such Person shall have executed and delivered to the Company a written undertaking substantially in the form of the Joinder Agreement. Upon the amendment of Schedule A of the Agreement by the Board and the satisfaction of any other applicable conditions, including the receipt by the Company of any payment for the issuance of Membership Interests, such Person shall be admitted as a Member and deemed listed as such on the books and records of the Company. The Board shall also adjust the Capital Accounts of the Members as necessary.

(c) Any Member who proposes to Transfer its Membership Interest (or any portion thereof) shall (i) be responsible for the payment of expenses incurred by it in connection with such Transfer, whether or not consummated, and (ii) except in connection with a Transfer pursuant to Section 3.04, Section 9.03 or Section 9.04, reimburse the Company and the other Members for all reasonable expenses (including reasonable attorneys' fees and expenses) incurred by or on behalf of the Company or such other Members in connection with such proposed Transfer, whether or not consummated; *provided, however*, that in the event that one or more Members Transfer their Membership Interests (or any portion thereof) in connection with such Transfer, each Member shall only be responsible to reimburse the Company for its pro rata portion (based on such Member's portion of the total Membership Interests Transferred) of the Company's expenses incurred in connection with such Transfer.

Section 4.02 No Personal Liability. Except as otherwise provided in the Delaware Act, by Applicable Law or expressly in this Agreement, no Member will be obligated personally for any debt, obligation or liability of the Company or any other Member, whether arising in contract, tort or otherwise, solely by reason of being a Member. No Member shall take, or cause to be taken, any action that would result in any other Member having any personal liability for the obligations of the Company.

Section 4.03 No Withdrawal. Except as otherwise specifically provided herein, so long as a Member continues to hold any Membership Interest, such Member shall not have the ability to withdraw or resign as a Member prior to the dissolution and winding up of the Company and any such withdrawal or resignation or attempted withdrawal or resignation by a Member prior to the dissolution or winding up of the Company shall be null and void. As soon as any Person who is a Member ceases to hold any Membership Interests, such Person shall no longer be a Member. A Member shall not cease to be a Member as a result of the Bankruptcy of such Member or as a result of any other events specified in § 18-304 of the Delaware Act.

Section 4.04 No Interest in Company Property. No real or personal property of the Company shall be deemed to be owned by any Member individually, but shall be owned by, and title shall be vested solely in, the Company. Without limiting the foregoing, each Member hereby irrevocably waives during the Term of the Company any right that such Member may have to maintain any action for partition with respect to the property of the Company.

Section 4.05 Meetings of the Members.

(a) Annual or special meetings of Members shall be held at such date and time as shall be designated from time to time by the Board and stated in the notice of the meeting to be provided to all Members, whether or not such Members are entitled to vote at such meeting, in writing no less than ten (10) days nor more than sixty (60) days prior to such designated meeting date. Business transacted at any special meeting of Members shall be limited to the purposes stated in the notice of special meeting. All meetings of the Members shall be held at such place within or without the State of Delaware as the Board shall designate.

(b) The presence in person or by proxy of Members holding a majority of the Common Units entitled to vote at such meeting shall constitute a quorum for the transaction of business at any meeting of the Members. Subject to the provisions of this Agreement, any matter brought before a meeting of the Members shall be decided by vote of Members entitled to vote holding at least a majority of the Common Units held by all Members entitled to vote present at a duly constituted meeting at which a quorum is present. Except as provided in this Agreement, all Members entitled to vote shall vote together and no Member(s) shall be, or have any right to vote or otherwise act, as a separate series, class or group of Members within the meaning of the Act.

(c) Members may participate in any meeting of Members by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

(d) Any action required to be taken at any annual or special meeting of Members or otherwise, or any action which may be taken at any annual or special meeting of Members or otherwise (including without limitation any consent, approval, vote or other action of the Members required or contemplated under or by this Agreement, the Act or otherwise), may be taken without a meeting and without a vote, if a consent in writing, setting forth the action so taken, shall be provided to all Members at least three (3) days advance and is thereafter signed by the Members required to approve such action. Prompt notice of the taking of action by Members without a meeting pursuant to this Section 4.05 by less than unanimous written consent shall be given to each of those Members who have not consented in writing.

Section 4.06 General Voting Rights of Members. Whether in person or by proxy, each Member holding Common Units shall have the right to one (1) vote for each Common Unit held by such Member. No Member who has assigned or Transferred all of his, her, or its Units shall have any right to vote on any matter. A Member who has assigned some, but not all, of his, her, or its Units shall be treated as a Member and entitled to a vote on all matters to the extent of any retained Units. No assignee of any Unit shall have the right to consent, approve or vote on any matters unless such assignee has become a Member pursuant to Article IX hereof.

Section 4.07 Certification of Membership Interests.

(a) The Units shall not be represented by certificates. If the Board determines that it is in the interest of the Company to issue certificates representing Units, certificates shall be issued and the Units shall be represented by such certificates.

(b) Any certificates so issued, in addition to any other legend required by Applicable Law, shall bear a legend substantially in the following form:

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LIMITED LIABILITY COMPANY AGREEMENT AMONG THE COMPANY AND ITS MEMBERS, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL EXECUTIVE OFFICE OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE MEMBERSHIP INTERESTS REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH LIMITED LIABILITY COMPANY AGREEMENT.

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED EXCEPT PURSUANT TO (A) A REGISTRATION STATEMENT EFFECTIVE UNDER SUCH ACT AND LAWS, OR (B) AN EXEMPTION FROM REGISTRATION THEREUNDER.

Section 4.08 Representations and Warranties of Members. By execution and delivery of this Agreement or a Joinder Agreement, as applicable, each Member represents and warrants to the Company that such Member:

(a) acknowledges and understands that the Units have not been registered under the Securities Act or the securities laws of any jurisdiction, are issued in reliance upon federal and state exemptions for transactions not involving a public offering, and cannot be transferred except upon compliance with this Agreement and the subsequent registration or exemption from registration under the Securities Act of such transfer;

(b) is an “accredited investor” within the meaning of Rule 501 promulgated under the Securities Act, has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in the Company, and is able to bear the economic and financial risk of an investment in the Company for an indefinite period of time;

(c) except as otherwise disclosed in writing to the Company, (i) is not an “investment company” as defined in the Investment Company Act of 1940, does not rely on the exception provided in either Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940 to be excepted from the definition of an “investment company,” and has not elected to be a business development company pursuant to Section 54 of the Investment Company Act of 1940; (ii) to the best of such Member’s knowledge, such Member does not control, nor is controlled by or under common control with, any other Member (other than as a result of any Permitted Transfer of a portion of a Member’s Membership Interest in accordance with this Agreement); (iii) such Member was not formed for the specific purpose of investing in the Company; and (iv) no other Person will have a beneficial interest in such Member’s Membership Interest in the Company other than as a shareholder, partner, member or other beneficial owner of equity interests in such Member;

(d) is acquiring the Units for its own account solely for investment and not with a view to resale or distribution thereof, and, other than as set forth in this Agreement, has no contract, understanding, undertaking, agreement or arrangement of any kind with any Person to sell, transfer or pledge to any Person its Units or any part thereof, nor does such Member have any plans to enter into any such agreement; and

(e) has conducted an independent review and analysis of the business, operations, assets, liabilities, results of operations, financial conditions, and prospects of the Company, has been provided adequate access to the personnel, books, and records of the Company for such purpose, and has had an opportunity to ask questions of and receive answers from the Company in order to obtain such additional information as such Member has deemed necessary to make an informed decision with respect to a purchase of Units;

provided that none of the foregoing representations or warranties shall replace, diminish, or otherwise adversely affect any representations or warranties made by a Member in any agreement for the purchase of Units.

ARTICLE V

ALLOCATIONS

Section 5.01 Allocation of Net Income and Net Loss. For each Fiscal Year (or portion thereof), after giving effect to the special allocations set forth in Section 5.02, Net Income and Net Loss of the Company shall be allocated as provided in this Section 5.01.

- (a) Net Income shall be allocated among the Members in the following order of priority:
 - (i) first, cumulatively to offset in reverse order any Net Loss not previously offset under this clause (i) that was allocated to the Members under Section 5.01(b)(ii); and
 - (ii) second, to the Members in accordance with their respective Percentage Interests.
- (b) Net Loss shall be allocated among the Members in the following order of priority:
 - (i) first, cumulatively to offset in reverse order any Net Income not previously offset under this clause (i) that was allocated to the Members under Section 5.01(a)(ii); and

- (ii) second, to the Members in accordance with their respective Percentage Interests.

Section 5.02 Regulatory and Special Allocations. Notwithstanding the provisions of Section 5.01:

(a) If there is a net decrease in Company Minimum Gain (determined according to Treasury Regulations Section 1.704-2(d)(1)) during any Fiscal Year, each Member shall be specially allocated Net Income for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g). The items to be so allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 5.02 is intended to comply with the "minimum gain chargeback" requirement in Treasury Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) Member Nonrecourse Deductions shall be allocated in the manner required by Treasury Regulations Section 1.704-2(i). Except as otherwise provided in Treasury Regulations Section 1.704-2(i)(4), if there is a net decrease in Member Nonrecourse Debt Minimum Gain during any Fiscal Year, each Member that has a share of such Member Nonrecourse Debt Minimum Gain shall be specially allocated Net Income for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to that Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain. Items to be allocated pursuant to this paragraph shall be determined in accordance with Treasury Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 5.02(b) is intended to comply with the "minimum gain chargeback" requirements in Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) Nonrecourse Deductions shall be allocated to the Members in accordance with their proportionate Capital Account balances.

(d) In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), Net Income shall be specially allocated to such Member in an amount and manner sufficient to eliminate the Adjusted Capital Account Deficit created by such adjustments, allocations or distributions as quickly as possible. This Section 5.02(d) is intended to comply with the qualified income offset requirement in Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(e) The allocations set forth in paragraphs (a), (b), (c) and (d) above (the **Regulatory Allocations**) are intended to comply with certain requirements of the Treasury Regulations under Code Section 704. Notwithstanding any other provisions of this Article V (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account in allocating Net Income and Net Losses among Members so that, to the extent possible, the net amount of such allocations of Net Income and Net Losses and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to such Member if the Regulatory Allocations had not occurred.

Section 5.03 Tax Allocations.

(a) Subject to Section 5.03(b), Section 5.03(c) and Section 5.03(d), all income, gains, losses and deductions of the Company shall be allocated, for federal, state and local income tax purposes, among the Members in accordance with the allocation of such income, gains, losses and deductions pursuant to Section 5.01 and Section 5.02, except that if any such allocation for tax purposes is not permitted by the Code or other Applicable Law, the Company's subsequent income, gains, losses and deductions shall be allocated among the Members for tax purposes, to the extent permitted by the Code and other Applicable Law, so as to reflect as nearly as possible the allocation set forth in Section 5.01 and Section 5.02.

(b) Items of Company taxable income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall be allocated among the Members in accordance with any reasonable method permitted by the Treasury Regulations pursuant to Code Section 704(c), so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Book Value.

(c) If the Book Value of any Company asset is adjusted pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(f) as provided in clause (c) of the definition of Book Value in Section 1.01, subsequent allocations of items of taxable income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value in the same manner as under Code Section 704(c).

(d) Allocations of tax credit, tax credit recapture and any items related thereto shall be allocated to the Members according to their interests in such items as determined by the Board taking into account the principles of Treasury Regulations Section 1.704-1(b)(4)(ii).

(e) Allocations pursuant to this Section 5.03 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Net Income, Net Losses, distributions or other items pursuant to any provisions of this Agreement.

Section 5.04 Allocations in Respect of Transferred Membership Interests. In the event of a Transfer of a Common Unit during any Fiscal Year made in compliance with the provisions of Article IX, Net Income, Net Losses and other items of income, gain, loss and deduction of the Company attributable to such Common Unit for such Fiscal Year shall be determined using the interim closing of the books method.

ARTICLE VI

DISTRIBUTIONS

Section 6.01 General.

(a) In the sole discretion of the Board, any available cash of the Company, after allowance for payment of all Company obligations then due and payable, including debt service, operating expenses and such other reasonable reserves as the Board may determine, may be made available for distribution as and when determined by the Board, with any such distribution to Members made pro rata in accordance with their respective Percentage Interests.

(b) If a Member has (i) an unpaid Additional Capital Contribution that is overdue or (ii) an outstanding Default Loan due to another Member, any amount that otherwise would be distributed to such Member pursuant to Section 6.01, Section 6.02 or Article XII (up to the amount of such unpaid Additional Capital Contribution or outstanding Default Loan, together with interest accrued thereon) shall not be paid to such Member but shall be deemed distributed to such Member and applied on behalf of it pursuant to Section 3.04(c).

(c) Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make any distribution to the Members if such distribution would violate § 18-607 of the Delaware Act or other Applicable Law or if such distribution is prohibited by the Company's then-applicable debt-financing agreements.

Section 6.02 Tax Distributions.

(a) Within ten (10) days before each date prescribed by the Code for a calendar-year corporation to pay quarterly installments of estimated tax, the Company shall distribute cash to each holder of Units in proportion to and to the extent of such Member's Quarterly Estimated Tax Amount for the applicable calendar quarter (each such distribution, a "**Tax Distribution**") based on the Tax Rate.

(b) If, at any time after the final Quarterly Estimated Tax Amount has been distributed pursuant to Section 6.02(a) with respect to any Fiscal Year, the aggregate Tax Distributions to any Member with respect to such Fiscal Year are less than such Member's Tax Amount for such Fiscal Year (a "**Shortfall Amount**"), the Company shall distribute cash in proportion to and to the extent of such Member's Shortfall Amount. The Company shall use commercially reasonable efforts to distribute Shortfall Amounts with respect to a Fiscal Year before the seventy-fifth (75th) day of the next succeeding Fiscal Year; *provided*, that if the Company has made distributions in such next succeeding Fiscal Year other than pursuant to this Section 6.02, the Board may apply such distributions to reduce any Shortfall Amount.

(c) If the aggregate Tax Distributions made to any Member pursuant to this Section 6.02 for any Fiscal Year exceed such Member's Tax Amount (an "**Excess Amount**"), such Excess Amount shall reduce subsequent Tax Distributions that would be made to such Member pursuant to this Section 6.02.

(d) All Tax Distributions made to the Members in respect of a taxable year will be treated as advances on distributions under Section 6.01, thereby reducing future distributions under Section 6.01 or, if necessary, reducing liquidating distributions pursuant to Section 12.03(e)(v).

Section 6.03 Tax Withholding; Withholding Advances.

(a) Each Member agrees to furnish the Company with any representations and forms as shall be reasonably requested by the Board to assist it in determining the extent of, and in fulfilling, any withholding obligations it may have.

(b) The Company is hereby authorized at all times to make payments ("**Withholding Advances**") with respect to each Member in amounts required to discharge any obligation of the Company (as determined by the Partnership Representative based on the advice of legal or tax counsel to the Company) to withhold or make payments to any federal, state, local or foreign taxing authority (a "**Taxing Authority**") with respect to any distribution or allocation by the Company of income or gain to such Member and to withhold the same from distributions to such Member. Any funds withheld from a distribution by reason of this Section 6.03(b) shall nonetheless be deemed distributed to the Member in question for all purposes under this Agreement.

(c) Any Withholding Advance made by the Company to a Taxing Authority on behalf of a Member and not simultaneously withheld from a distribution to that Member shall, with interest thereon accruing from the date of payment at a rate equal to the prime rate published in the *Wall Street Journal* on the date of payment *plus* two percent (2.0%) per annum (the "**Company Interest Rate**");

(i) be promptly repaid to the Company by the Member on whose behalf the Withholding Advance was made (which repayment by the Member shall not constitute a Capital Contribution, but shall credit the Member's Capital Account if the Board shall have initially charged the amount of the Withholding Advance to the Capital Account); or

(ii) with the consent of the Board (not including, for purposes of such vote any Managers appointed by the Member on whose behalf the Withholding Advance has been made), be repaid by reducing the amount of the next succeeding distribution or distributions to be made to such Member (which reduction amount shall be deemed to have been distributed to the Member, but which shall not further reduce the Member's Capital Account if the Board shall have initially charged the amount of the Withholding Advance to the Capital Account).

Interest shall cease to accrue from the time the Member on whose behalf the Withholding Advance was made repays such Withholding Advance (and all accrued interest) by either method of repayment described above.

(d) Each Member hereby agrees to indemnify and hold harmless the Company and the other Members from and against any liability with respect to taxes, interest or penalties that may be asserted by reason of the Company's failure to deduct and withhold tax on amounts distributable or allocable to such Member, including with respect to any "imputed underpayment" pertaining to the Company within the meaning of Code Section 6225. The provisions of this Section 6.03(d) and the obligations of a Member pursuant to Section 6.03(c) shall survive the termination, dissolution, liquidation and winding up of the Company and the withdrawal of such Member from the Company or Transfer of its Membership Interest. The Company may pursue and enforce all rights and remedies it may have against each Member under this Section 6.03, including bringing a lawsuit to collect repayment with interest of any Withholding Advances.

(e) Neither the Company nor any Manager shall be liable for any excess taxes withheld in respect of any distribution or allocation of income or gain to a Member. In the event of an overwithholding, a Member's sole recourse shall be to apply for a refund from the appropriate Taxing Authority.

Section 6.04 Distributions in Kind. No Member has the right to demand or receive property other than cash in payment for its share of any distribution made in accordance with this Agreement. Except as set out in Section 12.03(d), non-cash distributions are not permitted, unless approved by the Board.

Section 6.05 Liquidation. In the event of the liquidation and dissolution of the Company, the assets of the Company legally available for distribution to its Members shall be distributed as set forth in Section 12.03.

ARTICLE VII

MANAGEMENT

Section 7.01 Establishment of the Board.

(a) A board of managers of the Company (the "**Board**") is hereby established and shall be comprised of natural Persons (each such Person, a "**Manager**") who shall be appointed in accordance with the provisions of Section 7.02. The business and affairs of the Company shall be managed, operated and controlled by or under the direction of the Board, and the Board shall have, and is hereby granted, the full, complete and exclusive power, authority and discretion for, on behalf of and in the name of the Company, to take such actions as it may in its sole discretion deem necessary or advisable to carry out any and all of the objectives and purposes of the Company, subject only to the terms of this Agreement. Except as expressly provided herein, or by Applicable Law, no Member, in its capacity as a Member, shall have any power or authority over the business and affairs of the Company or any power or authority to bind the Company.

- (b) Notwithstanding Section 7.01(a), the following actions may only be taken by the Company with the unanimous consent of the Board:
- (i) amend, alter or repeal any provision in this Agreement;
 - (ii) amend, modify or waive any provisions of the Distribution Agreement;
 - (iii) enter into any agreement, contract or understanding with any Affiliate or engage in any transaction with same, whether or not in the ordinary course of business, except transactions expressly provided for in the Distribution Agreement or the Management Services Agreement between the Company and CSSE dated as of the Effective Date, in each case as such agreement is in effect as of the Effective Date; and
 - (iv) merge or combine with, or sell any material assets outside of the ordinary course of business, to any Affiliate of any Member.

(c) Notwithstanding Section 7.01(a), Ozer may enforce any and all rights under the Distribution Agreement, including without limitation, initiating legal proceedings and collections.

Section 7.02 Board Composition; Vacancies.

(a) The Company and the Members shall take such actions as may be required to ensure that the number of Managers constituting the Board is at all times five. The Board shall be comprised as follows:

- (i) three (3) individuals designated by CSSE (each, a “**CSSE Manager**”), who shall initially be William J. Rouhana, Jr., David Fannon and Elana Sofko; and
- (ii) one (1) individual designated by Cole (a “**Cole Manager**”), who shall initially be Simon Misselbrook; and
- (iii) one (1) person who shall be Ozer, so long as Ozer is employed with the Company.

(b) At all times, the composition of any board of directors or board of managers of any Subsidiary of the Company shall be the same as that of the Board. Unless otherwise determined by the Board, the quorum, removal rights, meeting procedures and meeting requirements set forth in this Article VII with respect to the Board shall apply *mutatis mutandis* to Subsidiaries of the Company and the boards of directors, boards of managers, or similar governing bodies of such Subsidiaries.

Section 7.03 Removal; Resignation.

(a) Each Member may remove any Manager appointed by it at any time with or without cause, effective upon written notice to the other Members and the Chairperson. No Manager may be removed except in accordance with this Section 7.03(a).

(b) A Manager may resign at any time from the Board by delivering his written resignation to the Board. Any such resignation shall be effective upon receipt thereof unless it is specified to be effective at some other time or upon the occurrence of some other event. The Board's or Company's acceptance of a resignation shall not be necessary to make it effective.

(c) Any vacancy on the Board resulting from the resignation, removal, death or disability of a Manager appointed by a Member shall be filled by the Member that appointed such Manager (or in the case of death of an individual, the Member's estate), with such appointment to become effective immediately upon delivery of written notice of such appointment to the other Members and the Chairperson. Any replacement Manager designee shall be reasonably acceptable to the other Members.

(d) The Board shall maintain a schedule of all Managers with their respective mailing addresses (the "**Managers Schedule**"), and shall update the Managers Schedule upon the appointment, removal or replacement of any Manager in accordance with Section 7.02 or this Section 7.03.

(e) Each Member shall take all necessary action to carry out fully the provisions of Section 7.02 and the foregoing provisions of this Section 7.03 to ensure that the Board and the board of directors or managers or other governing body of any Subsidiary consists of the Managers that are duly appointed in accordance with such sections.

Section 7.04 Meetings.

(a) Regular meetings of the Board shall be held at least every four months (i.e., three times during each full calendar year) at such dates and times as the Board may designate. Special meetings of the Board may be called at any time by the Chairperson and shall be called by the Chairperson at the written request of any Manager who makes such request in good faith. Meetings of the Board may be held either in person at the executive office of the Company or by telephone or video conference or other communication device that permits all Managers participating in the meeting to hear each other.

(b) Written notice of a meeting of the Board or any Committee stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called shall be given to each Manager by telephone or facsimile no less than seven (7) days nor more than thirty (30) days before the date of the meeting; *provided* that, in the case of a special meeting, the Chairperson or the Manager requesting the meeting may reduce the advance notice period to not less than two (2) Business Days if the Chairperson or such Manager determines, acting reasonably and in good faith, that it is necessary and in the best interests of the Company for the Board to take action within a time period of less than seven (7) days. Notice of any meeting may be waived in writing by any Manager. Presence at a meeting shall constitute waiver of any deficiency of notice under this Section 7.04(b), except when a Manager attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not called or convened in accordance with this Agreement and does not otherwise attend the meeting.

(c) The Secretary of the Company (or the Chairperson, if there is no Secretary) shall circulate to each Manager an agenda for each regular meeting not less than two (2) Business Days in advance of such meeting. In the case of a regular meeting, such agenda shall include a discussion of the financial reports most recently delivered pursuant to Section 11.01 and any other matters that a Manager may reasonably request to be included on such agenda. In the case of a special meeting, the agenda for such meeting shall be established by the Chairperson, shall, if applicable, include any matters specified by the Manager requesting such meeting, and shall be provided to each Manager at the time such special meeting is called.

(d) The decisions and resolutions of the Board and any Committee thereof shall be recorded in minutes, which shall state the date, time and place of the meeting (or the date of any written consent in lieu of a meeting), the Managers present at the meeting, the resolutions put to a vote (or the subject of a written consent) and the results of such voting or written consent. The minutes shall be entered in a minute book kept at the principal office of the Company and a copy of the minutes of each Board and Committee meeting shall be provided promptly to each Manager and Member.

Section 7.05 Quorum; Manner of Acting.

(a) The presence in person or by proxy of a number of Managers equal to a majority of the total number of Managers serving on the Board shall constitute a quorum for the conduct of business at any meeting of the Board. If such quorum shall not be present at any meeting of the Board (a “**Suspended Meeting**”), the Managers present shall adjourn the meeting and promptly give notice to the Managers of when it shall be reconvened (a “**Reconvened Meeting**”), which notice shall include a copy of the notice and agenda originally given with respect to such Suspended Meeting and, if applicable, specify in writing that the Board has invoked the procedures with respect to such Reconvened Meeting set forth in the following sentence. If such notice is given and the Reconvened Meeting is held at least 48 hours after the Suspended Meeting at which a quorum was not present, then, at such Reconvened Meeting, the presence in person or by proxy of at least any two Managers shall be sufficient for a quorum to be present; *provided, however*, that the only business that may be conducted at such Reconvened Meeting is the business specifically set forth in the original agenda for the Suspended Meeting.

(b) Any Manager may participate in a meeting of the Board or any Committee by telephone or video conference or other communications device that permits all Managers participating in the meeting to hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting. A Manager may vote or be present at a meeting either in person or by proxy in accordance with Section 7.05(d).

(c) Each Manager shall have one vote on all matters submitted to the Board or any Committee; *provided, however*, that, notwithstanding anything herein to the contrary and without limitation of any other rights or remedies that may be available, if a Member is a Defaulting Member, any Managers appointed by it shall cease to have any voting rights on any matters voted on by the Board and any decision that requires the vote or approval of Managers appointed by such Defaulting Member shall be made without regard to such Managers or any requirement to obtain the vote or approval of such Managers. The affirmative vote of a majority of the Managers in attendance at any meeting of the Board or any Committee at which a quorum is present shall be required to authorize any action by the Board or Committee and shall constitute the action of the Board or Committee for all purposes. Notwithstanding anything to the contrary, if Ozer’s position and employment with the Company is terminated or ended for any reason, the person replacing Ozer shall be selected by the Board and be reasonably acceptable to Cole based on such person’s experience and expertise.

(d) Each Manager may authorize another individual (who may or may not be a Manager, but who shall be an officer or employee of the Member that appointed such Manager or an Affiliate of such Member) to act for such Manager by proxy at any meeting of the Board or any Committee, or to express consent or dissent to a Company action in writing without a meeting. Any such proxy may be granted in writing, by Electronic Transmission or as otherwise permitted by Applicable Law.

Section 7.06 Action by Written Consent. Any action of the Board or any Committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed unanimously by all the Managers (or the Managers comprising the Committee, as applicable). Such consent shall have the same force and effect as a vote at a meeting where a quorum was present and may be stated as such in any document or instrument filed with the Secretary of State.

Section 7.07 Compensation; No Employment.

(a) Each Manager shall serve without compensation in his capacity as such. Each Manager shall be entitled to reimbursement from the Company for his reasonable and necessary out-of-pocket expenses incurred in the performance of his duties as a Manager, pursuant to such policies as may from time to time be established by the Board.

(b) This Agreement does not, and is not intended to, confer upon any Manager any rights with respect to employment by the Company, and nothing herein should be construed to have created any employment agreement or relationship with any Manager.

Section 7.08 Chairperson of the Board. The Board may appoint any one of the CSSE Managers to act as Chairperson of the Board (“**Chairperson**”) and preside at all meetings of the Board at which he is present, subject to the ultimate authority of the Board to appoint an alternate presiding chairperson at any meeting. The initial Chairperson of the Board shall be William J. Rouhana, Jr. For the avoidance of doubt, a Manager shall not be considered to be an officer of the Company by virtue of holding the position of Chairperson and, except as expressly provided herein, shall not have any rights or powers different from any other Manager other than with respect to any procedural matters to the extent delegated by the Board or as expressly set forth in this Agreement.

Section 7.09 Reserved.

Section 7.10 Officers. The Board shall appoint individuals as officers of the Company (the “**Officers**”) as it deems necessary or desirable to carry on the business of the Company and the Board may delegate to such Officers such powers and authorities as the Board deems advisable. The initial Officers of the Company shall be the persons listed on Schedule B in the offices designated therein. No Officer need be a Member or Manager. Any individual may hold two or more offices of the Company. Each Officer shall hold office until his successor is designated by the Board or until his earlier death, resignation or removal. Any Officer may resign at any time on written notice to the Board. Any Officer may be removed by the Board with or without cause at any time. A vacancy in any office occurring because of death, resignation, removal or otherwise, may, but need not, be filled by the Board. The Officers, in the performance of their duties as such, shall owe to the Members fiduciary duties of the type owed by the officers of a Delaware corporation to the stockholders of such corporation under the laws of the State of Delaware

Section 7.11 No Personal Liability. Except as otherwise provided in the Delaware Act or by Applicable Law, no Manager will be obligated personally for any debt, obligation or liability of the Company, whether arising in contract, tort or otherwise, solely by reason of being a Manager.

Section 7.12 Budget. At least thirty (30) days before the beginning of each Fiscal Year (commencing with the Fiscal Year ending December 31, 2020), the Chief Executive Officer and Chief Financial Officer of the Company shall prepare and submit to the Board a proposed budget (“**Budget**”) for such upcoming Fiscal Year. The Board shall review, modify and approve the Budget.

Section 7.13 Other Activities; Business Opportunities. Except as may be set forth in other agreements between the Company and a Member (including employment or consulting agreements), nothing contained in this Agreement shall prevent any Member or any of its Affiliates from engaging in any other activities or businesses, regardless of whether those activities or businesses are similar to or competitive with the Business. Except as may be set forth in other agreements between the Company and a Member (including employment or consulting agreements), none of the Members nor any of their Affiliates shall be obligated to account to the Company or to the other Members for any profits or income earned or derived from other such activities or businesses. Except as may be set forth in other agreements between the Company and a Member (including employment or consulting agreements), none of the Members nor any of their Affiliates shall be obligated to inform the Company or the other Members of any business opportunity of any type or description.

Section 7.14 Code of Conduct. The Board shall adopt a code of business conduct and ethics that applies to all of its executive officers, managers, and employees.

ARTICLE VIII

EXCULPATION AND INDEMNIFICATION

Section 8.01 Exculpation of Covered Persons.

(a) As used herein, the term “**Covered Person**” shall mean (i) each Member; (ii) each officer, director, shareholder, partner, member, Affiliate, employee, agent or representative of each Member, and each of their Affiliates; and (iii) each Manager, Officer, employee, agent or representative of the Company.

(b) No Covered Person shall be liable to the Company or any Member or any Affiliate of a Member for any loss, damage or claim incurred by reason of any action taken or omitted to be taken by such Covered Person in his or its capacity as a Covered Person, so long as such action or omission does not constitute fraud, gross negligence, willful misconduct or a material breach of this Agreement or intentional violation of Applicable Law by such Covered Person.

(c) A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, Net Income or Net Losses of the Company or any facts pertinent to the existence and amount of assets from which distributions might properly be paid) of the following Persons or groups: (i) a Manager; (ii) one or more Officers or employees of the Company; (iii) any attorney, independent accountant, appraiser or other expert or professional employed or engaged by or on behalf of the Company; or (iv) any other Person selected in good faith by or on behalf of the Company, in each case as to matters that such relying Person reasonably believes to be within such other Person’s professional or expert competence. The preceding sentence shall in no way limit any Person’s right to rely on information to the extent provided in § 18-406 of the Delaware Act.

Section 8.02 Liabilities and Duties of Covered Persons.

(a) Except as expressly set forth herein, this Agreement is not intended to, and does not, create or impose any fiduciary duty on any Covered Person. Furthermore, each of the Members and the Company hereby waives any and all fiduciary duties that, absent such waiver, may be implied by Applicable Law, and in doing so, acknowledges and agrees that the duties and obligations of each Covered Person to each other and to the Company are only as expressly set forth in this Agreement, including with respect to any Affiliates of a Member or Manager in their capacities as Officers pursuant to Section 7.10. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Members to replace such other duties and liabilities of such Covered Person.

(b) Whenever in this Agreement a Member or Manager is permitted or required to make a decision (including a decision that is in such Member or Manager's "discretion" or under a grant of similar authority or latitude), such Member or Manager shall be entitled to consider only such interests and factors as such Covered Person desires, including its own interests (or, in the case of a Manager, the interests of the Member that appointed such Manager or such Member's Affiliates), and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Company or any other Person. Whenever in this Agreement a Member or Manager is permitted or required to make a decision in such Member or Manager's "good faith," the Member or Manager shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or any other Applicable Law.

(c) This Section 8.02 does not apply to any obligation or duty of a Covered Person or any Affiliate thereof arising under any other agreement between such Covered Person and the Company.

Section 8.03 Indemnification.

(a) To the fullest extent permitted by the Delaware Act, as the same now exists or may hereafter be amended, substituted or replaced (but, in the case of any such amendment, substitution or replacement, only to the extent that such amendment, substitution or replacement permits the Company to provide broader indemnification rights than the Delaware Act permitted the Company to provide prior to such amendment, substitution or replacement), the Company shall indemnify, hold harmless, defend, pay and reimburse any Covered Person against any and all losses, claims, damages, judgments, fines or liabilities, including reasonable legal fees or other expenses incurred in investigating or defending against such losses, claims, damages, judgments, fines or liabilities, and any amounts expended in settlement of any claims (other than in connection with any claims brought by (A) a Member or its Affiliate against another Member or its Affiliate or (B) the Company) (collectively, "**Losses**") to which such Covered Person may become subject by reason of:

(i) any act or omission or alleged act or omission performed or omitted to be performed on behalf of the Company in connection with the Business of the Company; or

(ii) such Covered Person being or acting in connection with the Business of the Company as a Member, an Affiliate of a Member, a Manager or an Officer, or that such Covered Person is or was serving at the request of the Company as a member, manager, partner, director, officer, employee or agent of any other Person;

provided, that (x) such Covered Person acted in good faith and in a manner believed by such Covered Person to be within, or not opposed to, the scope of such Covered Person's authority conferred on him or it by the Company and, with respect to any criminal proceeding, had no reasonable cause to believe his or its conduct was unlawful, and (y) such Covered Person's conduct did not constitute fraud, gross negligence, willful misconduct or a material breach of this Agreement or knowing violation of Applicable Law by such Covered Person, in each case as determined by a final, nonappealable order of a court of competent jurisdiction. In connection with the foregoing, the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the Covered Person did not act in good faith or, with respect to any criminal proceeding, had reasonable cause to believe that such Covered Person's conduct was unlawful, or that the Covered Person's conduct constituted fraud, gross negligence, willful misconduct or a material breach or knowing violation of Applicable Law or this Agreement.

(b) The Company shall promptly reimburse (and/or advance to the extent reasonably required) each Covered Person for reasonable legal or other expenses (as incurred) of such Covered Person in connection with investigating, preparing to defend or defending any claim, lawsuit or other proceeding relating to any Losses for which such Covered Person may be indemnified pursuant to this Section 8.03; *provided*, that if it is finally judicially determined that such Covered Person is not entitled to the indemnification provided by this Section 8.03, then such Covered Person shall promptly reimburse the Company for any reimbursed or advanced expenses.

(c) The indemnification provided by this Section 8.03 shall not be deemed exclusive of any other rights to indemnification to which those seeking indemnification may be entitled under any agreement or otherwise. The provisions of this Section 8.03 shall continue to afford protection to each Covered Person regardless of whether such Covered Person remains in the position or capacity pursuant to which such Covered Person became entitled to indemnification under this Section 8.03 and shall inure to the benefit of the executors, administrators, legatees and distributees of such Covered Person.

(d) Notwithstanding anything herein to the contrary, nothing in this Article VIII shall (or shall be construed to) (i) relieve any Member or other Person from any liability or obligation of such Person pursuant to any other agreement between such Member or other Persons and the Company, or to in any way impair the enforceability of any provision of any other agreement between such Member or other Persons and the Company against any party thereto, or (ii) require the Company to indemnify, hold harmless, defend, pay or reimburse (x) any Covered Person with respect to any Loss to the extent a Member or its Affiliate is required to indemnify such Covered Person with respect thereto under any other agreement between such Member or other Persons and the Company or (y) a breaching or indemnifying Member or Affiliate.

(e) To the extent available on commercially reasonable terms, the Company may purchase, at its expense, insurance to cover Losses covered by the foregoing indemnification provisions and to otherwise cover Losses for any breach or alleged breach by any Covered Person of such Covered Person's duties in such amount and with such deductibles as the Board may determine; *provided*, that (i) all Members and Managers shall be treated equally under any such insurance policies and (ii) the failure to obtain such insurance shall not affect the right to indemnification of any Covered Person under the indemnification provisions contained herein, including the right to be reimbursed or advanced expenses or otherwise indemnified for Losses hereunder. If any Covered Person recovers any amounts in respect of any Losses from any insurance coverage, then such Covered Person shall, to the extent that such recovery is duplicative, reimburse the Company for any amounts previously paid to such Covered Person by the Company in respect of such Losses.

(f) Notwithstanding anything contained herein to the contrary, any indemnity by the Company relating to the matters covered in this Section 8.03 shall be provided out of and to the extent of Company assets only, and no Member (unless such Member otherwise agrees in writing) shall have personal liability on account thereof or shall be required to make additional Capital Contributions to help satisfy such indemnity by the Company.

(g) Notwithstanding that a Covered Person has or may from time to time obtain certain rights to indemnification, advancement of expenses and/or insurance provided by one or more third party indemnitors (including as an officer, director or employee of a Member), the Company shall be the indemnitor of first resort (i.e., its obligations to such Covered Person are primary and any obligation of a third party indemnitor to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Covered Person are secondary), and the Company shall not assert that the Covered Person must seek expense advancement or reimbursement, or indemnification, from third party indemnitor before the Company must perform its expense advancement and reimbursement, and indemnification obligations, under this Agreement. No advancement or payment by a third party indemnitor on behalf of a Covered Person with respect to any claim for which such Covered Person has sought indemnification from the Company in accordance with this Agreement shall affect the foregoing. The third party indemnitor shall be subrogated to the extent of such advancement or payment to all of the rights of recovery which such Covered Person would have had against the Company if the third party indemnitor had not advanced or paid any amount to or on behalf of such Covered Person.

(h) If this Section 8.03 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Covered Person pursuant to this Section 8.03 to the fullest extent permitted by any applicable portion of this Section 8.03 that shall not have been invalidated and to the fullest extent permitted by Applicable Law.

(i) The provisions of this Section 8.03 shall be a contract between the Company, on the one hand, and each Covered Person who served in such capacity at any time while this Section 8.03 is in effect, on the other hand, pursuant to which the Company and each such Covered Person intend to be legally bound. No amendment, modification or repeal of this Section 8.03 that adversely affects the rights of a Covered Person to indemnification for Losses incurred or relating to a state of facts existing prior to such amendment, modification or repeal shall apply in such a way as to eliminate or reduce such Covered Person's entitlement to indemnification for such Losses without the Covered Person's prior written consent.

Section 8.04 Survival. The provisions of this Article VIII shall survive the dissolution, liquidation, winding up and termination of the Company.

ARTICLE IX

TRANSFER

Section 9.01 Restrictions on Transfer.

(a) Except as otherwise provided in Section 3.04 and this Article IX, no Member shall Transfer all or any portion of its Membership Interest in the Company without the prior written consent of the Members holding at least an aggregate Percentage Interest of 51% (a “**Transfer Consent**”), which consent may be granted or withheld in the sole discretion of the other Members. No Transfer of Membership Interests to a Person not already a Member of the Company shall be deemed completed until the prospective Transferee is admitted as a Member of the Company in accordance with Section 4.01(b).

(b) Notwithstanding any other provision of this Agreement, each Member agrees that it will not Transfer all or any portion of its Membership Interest in the Company, and the Company agrees that it shall not issue any Membership Interests:

(i) except as permitted under the Securities Act and other applicable federal or state securities or blue-sky laws, and then, with respect to a Transfer of Membership Interests, only upon delivery to the Company of an opinion of counsel in form and substance satisfactory to the Company to the effect that such Transfer may be affected without registration under the Securities Act;

(ii) if such Transfer or issuance would cause the Company to be considered a “publicly traded partnership” under Section 7704(b) of the Code within the meaning of Treasury Regulations Section 1.7704-1(h)(1)(ii), including the look-through rule in Treasury Regulations Section 1.7704-1(h)(3);

(iii) if such Transfer or issuance would affect the Company’s existence or qualification as a limited liability company under the Delaware Act;

(iv) if such Transfer or issuance would cause the Company to lose its status as a partnership for federal income tax purposes;

(v) if such Transfer or issuance would cause the Company to be required to register as an investment company under the Investment Company Act of 1940; or

(vi) if such Transfer or issuance would cause the assets of the Company to be deemed “Plan Assets” as defined under the Employee Retirement Income Security Act of 1974 or its accompanying regulations or result in any “prohibited transaction” thereunder involving the Company.

(c) Any Transfer or attempted Transfer of any Membership Interest in contravention of this Agreement shall be null and void, no such Transfer shall be recorded on the Company’s books or otherwise recognized by the Company, and the purported Transferee in any such Transfer shall not be treated as the owner of such Membership Interest for any purposes of this Agreement or have any rights as a Member (and the purported Transferor shall continue to be treated as the owner of such Membership Interest and as a Member).

(d) For the avoidance of doubt, any Transfer of a Membership Interest permitted by this Agreement shall be deemed a sale, transfer, assignment or other disposal of such Membership Interest in its entirety as intended by the parties to such Transfer, and shall not be deemed a sale, transfer, assignment or other disposal of any less than all of the rights and benefits described in the definition of the term "Membership Interest," unless otherwise explicitly agreed to by the parties to such Transfer.

(e) Notwithstanding anything to the contrary contained herein, Legend shall be entitled to transfer its Common Units owned as of the Effective Date to Duncan at any time or from time to time upon ten days' prior written notice to the Company and with the Company's prior written consent, which shall not be unreasonably withheld, delayed or conditioned (it being understood that if Duncan is then employed by a competitor of the Company or has been indicted for or convicted of a crime such that his further ownership in the Company would be likely to harm the reputation of the Company, then such circumstances, among other similar grounds, shall constitute a reasonable basis for the Company withholding consent).

Section 9.02 Permitted Transfers.

(a) General. The provisions of Section 9.01(a) shall not apply to any Transfer by any Member of all or any portion of its Membership Interest to its Affiliate; provided that such Affiliate becomes a party to and bound by the terms of this Agreement.

(b) Tag-Along Rights. If a Transferring Member elects to sell all or a portion of its Units to a third party (a "**Third Party Purchaser**") and Transfer Consent has been obtained as required, the Transferring Member shall provide written notice of the proposed sale ("**Third Party Sale Notice**") to the other Members (each a "**Tagging Member**") and the Company setting forth the proposed sale price, the name of the Third Party Purchaser and any other material terms of the proposed sale. Each Tagging Member shall have the right, upon written notice to the Transferring Member ("**Tag-Along Notice**") delivered to it within fifteen (15) days of receipt of the Third Party Sale Notice, to sell to the Third Party Purchaser, on the terms contained in the Third Party Sale Notice, up to such number of Tagging Units (as defined) equal to the product of (i) the total number of Units that the Third Party Purchaser proposes to buy as stated in the Third Party Sale Notice and (ii) a fraction (x) the numerator of which is equal to the number of Units then held by the Tagging Member and (y) the denominator of which is equal to the sum of the number of Units then held by the Transferring Member and all participating Tagging Members (such number, the "**Tagging Units**"). If any Tagging Member exercises its right hereunder through the delivery of a timely Tag-Along Notice, the Tagging Member shall join in the Transferring Member's contract with the Third Party Purchaser on the same terms as set forth in the Tag-Along Notice, shall receive consideration in the same amount per Unit (calculated on a deemed as-converted basis) as the Transferring Member and such consideration will be allocated among such Members and distributed in accordance with Section 12.03; *provided*, that (a) such Tagging Member shall only be obligated to make individual representations and warranties with respect to its right, title and interest in and to its Units, power and authority to sell its Units, absence of encumbrances upon its Units, and other matters relating to such Tagging Member (and the liability of such Tagging Member for indemnification, if any, with respect to any such representations and warranties shall be several and not joint and shall be pro rata in proportion to and shall not exceed the amount of consideration payable to such Tagging Member), but not with respect to any of the foregoing in respect of any other Members or any other Members' Units; (b) no Tagging Member shall be obligated to execute or otherwise agree to, or be bound by, any restrictive covenant or exclusivity obligation other than reasonable and customary covenants with respect to confidentiality. To the extent that the Third Party Purchaser refuses to purchase Units from an exercising Tagging Member, the Transferring Member shall not Transfer any Subject Units to such Third Party Purchaser unless and until, simultaneously with such Transfer, the Transferring Member shall purchase the applicable number of Units from the exercising Tagging Member for the same consideration and on the same terms and conditions as the Transferring Member receives from the Third Party Purchaser. If no Non-Transferring Member timely delivers a Tag-Along Notice, or if all Non-Transferring Members waive their rights hereunder, the Transferring Member shall have the right to consummate the sale of the Subject Units to the Third Party Purchaser on the terms set forth in the Third Party Sale Notice within 45 days of the date of the Tag-Along Notice.

Section 9.03 Drag Along Option. If CSSE elects to sell all but not less than all of its Units to a Third Party Purchaser, it shall have the right upon written notice to Members to require all, but not less than all, of the Members to sell all of their Units on the same terms upon which CSSE is selling its Units and shall share pro rata in the net proceeds of such sale (after deduction of all costs and expenses incurred by CSSE and/or the Company directly in connection with such sale, including all legal, due diligence and accounting expenses). Each Member agrees to (a) make the same representations and warranties as made by CSSE solely with respect to their ownership of the Units being sold in the transaction and (b) undertake its pro rata portion of any indemnification obligations prescribed by the sales agreements in the transaction.

Section 9.04 Initial Public Offering.

(a) At any time, the Board may elect to conduct an initial public offering of the equity of the Company using the services of one or more underwriters and on such terms and conditions to be agreed between the Company and the underwriters (the “**Initial Public Offering**”).

(b) The Initial Public Offering may include the resale of equity interests held by the Members, provided that (i) such selling Members enter into an underwriting agreement in customary form with the underwriter or underwriters selected for the Initial Public Offering and (ii) if the underwriters advise the Company and the selling Members in writing that the dollar amount or number of Units which the selling Members desire to sell, taken together with all of the Units or other equity interests proposed to be sold by the Company, exceeds the maximum dollar amount or maximum number of shares that can be sold in the Initial Public Offering without adversely affecting the proposed offering price, the timing, the distribution method, or the probability of success of such offering (the “**Maximum Number of Shares**”), then the Company shall reduce the number of Units proposed to be sold by selling Members in the Initial Public Offering to the Maximum Number of Shares.

(c) The Company shall use its commercially reasonable best efforts to list, or cause to be listed, the shares sold in the Initial Public Offering on a national securities exchange in the United States.

(d) The Company will pay all expenses and fees in connection with the Initial Public Offering, other than underwriters’ fees and commissions with respect to the selling Members Units being sold in the Initial Public Offering, which shall be paid directly by such Selling Members.

ARTICLE X

COVENANTS AND AGREEMENTS OF THE MEMBERS

Section 10.01 Confidentiality; Press Release.

(a) Each Member acknowledges that it may have access to and become acquainted with trade secrets, proprietary information and confidential information belonging to the Company that are not generally known to the public, including information concerning business plans, financial statements and other information provided pursuant to this Agreement, operating practices and methods, expansion plans, strategic plans, marketing plans, contracts, customer lists or other business documents that the Company treat as confidential, in any format whatsoever (including oral, written, electronic or any other form or medium) (collectively, “**Confidential Information**”). In addition, each Member acknowledges that: (i) the Company have invested, and continue to invest, substantial time, expense and specialized knowledge in developing its Confidential Information; (ii) the Confidential Information provides the Company with a competitive advantage over others in the marketplace; and (iii) the Company would be irreparably harmed if the Confidential Information were disclosed to competitors or made available to the public. Without limiting the applicability of any other agreement to which any Member is subject, no Member shall, directly or indirectly, disclose or use (other than in connection with the conduct of the Company’s business or the monitoring of its investment in the Company) at any time, including use for personal, commercial or proprietary advantage or profit, either during its association with the Company or thereafter, any Confidential Information of which such Member is or becomes aware. Each Member in possession of Confidential Information shall take all appropriate steps to safeguard such information and to protect it against disclosure, misuse, espionage, loss and theft.

(b) Nothing contained in Section 10.01(a) shall prevent any Member from disclosing Confidential Information: (i) upon the order of any court or administrative agency; (ii) upon the request or demand of any regulatory agency or authority having jurisdiction over such Member; (iii) to the extent compelled by legal process or required or requested pursuant to subpoena, interrogatories or other discovery requests; (iv) to the extent necessary to assert any right or defend any claim arising under this Agreement; (v) to the other Members or their respective Affiliates; (vi) to such Member’s Representatives who, in the reasonable judgment of such Member, need to know such Confidential Information and agree to be bound by the provisions of this Section 10.01 as if a Member; or (vii) to any potential Permitted Transferee in connection with a proposed Transfer of Membership Interests from such Member, as long as such potential Transferee shall have agreed to be bound by the provisions of this Section 10.01 as if a Member; *provided*, that in the case of clause (i), (ii) or (iii), such Member shall notify the Company and other Members of the proposed disclosure as far in advance of such disclosure as practicable (but in no event make any such disclosure before notifying the Company and the other Members) and use reasonable efforts to ensure that any Confidential Information so disclosed is accorded confidential treatment satisfactory to the Company and the other Members, when and if available; and *provided, further*, that in the case of clause (vi) or (vii), that the disclosing Member shall be liable in the event that any of its Representatives or potential Permitted Transferees disclose any Confidential Information that a Member would be prohibited from disclosing pursuant to this provision.

(c) The restrictions of Section 10.01 shall not apply to Confidential Information that: (i) is or becomes generally available to the public other than as a result of a disclosure by such Member or its Affiliates or Representatives in violation of this Agreement; (ii) is or has been independently developed or conceived by such Member or its Affiliates without use of Confidential Information; or (iii) becomes available to such Member or any of its Affiliates or Representatives on a non-confidential basis from a source other than the Company, the other Members or any of their respective Representatives, *provided*, that such source is not known by the receiving Member to be bound by a confidentiality agreement regarding the Company.

(d) It is acknowledged and agreed by the parties that CSSE is required to file periodic reports and other disclosures under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and nothing in this Agreement shall serve to limit its compliance with these obligations, including this Section 10.01.

(e) The obligations of each Member under this Section 10.01 shall survive (i) the termination, dissolution, liquidation and winding up of the Company and (ii) such Member's Transfer of its Membership Interest.

Section 10.02 [reserved]

Section 10.03 Anti-Bribery.

(a) If at any time a Member becomes aware that a Government Official has or is likely to have any legal, financial or beneficial interest in this Agreement, or the Company, such Member shall promptly notify the Company and the other Members in writing. Upon receipt of such written notice, all Members will consult together to address concerns under the applicable anti-bribery laws and determine how to resolve those concerns satisfactorily.

(b) CSSE hereby covenants and agrees that it shall, and shall cause the Company, to establish and maintain its books and records, and prepare its periodic statements of accounts in accordance with accounting practices and procedures established by CSSE, which shall provide that it and the Company shall: (i) make and keep books, records, and accounts, which in reasonable detail, accurately and fairly reflect the transactions and dispositions of its assets or the assets of the Company, as applicable; and (ii) devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:

(i) transactions are executed and access to assets is given only in accordance with management's general or specific authorization;

(ii) transactions are recorded in such a way as to permit the preparation of financial statements in conformity with generally accepted accounting principles; and

(iii) assets and liabilities recorded in the financial statements are compared to the actual assets and liabilities and/or supporting documentation at reasonable intervals and appropriate action is taken with respect to any differences.

(c) Each Member and the Company further covenants and agrees that:

(i) Promptly following the date hereof, it will establish and implement an anti-bribery policy and procedures providing that neither it nor any Person acting on its behalf or under its control or direction will make any payment, offer to pay, promise to pay, or authorize any payment or exchange of money or anything of value, directly or indirectly, to any Government Official in order to obtain or retain business for such Member or the Company or to secure any improper advantage for such Member or the Company; *provided* that this Section does not prohibit the payment of reasonable and bona fide expenditures such as travel and lodging expenses, which are directly related to the promotion, demonstration or explanation of products and services, or the execution of performance of a contract with a government entity or agency or instrumentality thereof to the extent such payments are permissible under local Applicable Law. If such payments are to be advanced or reimbursed by a Member or the Company, such payments must be documented accurately.

(ii) Due diligence will be performed as appropriate on all third parties who will have dealings with Government Officials to ensure that such Member or the Company, as applicable, contract only with reputable agents, consultants or other representatives.

(iii) Any third party retained by a Member or the Company to provide consulting, lobbying or other professional services and assistance and who will deal with Government Officials on behalf of such Member or the Company in any country or region with a score of less than 60 on the Transparency International Corruption Perception Index will be required to sign a non-bribery compliance representation.

(d) Notwithstanding any term or condition set forth herein, in the event that a Member or the Company engages in illegal action in violation of applicable anti-bribery laws, the non-breaching Member (without limiting any other right it may have), notwithstanding any other provision in the Agreement to the contrary, upon written notice to such Member and the Company, shall have the right, at its election, to cause the Company to redeem any issued and outstanding Membership Interest in the Company held by the non-breaching Member for its Fair Market Value and withdraw as a Member from the Company.

ARTICLE XI

ACCOUNTING; TAX MATTERS

Section 11.01 Financial Statements. The Company shall furnish to each Member the following reports:

(a) As soon as available, and in any event within one hundred twenty (120) days after the end of each Fiscal Year, consolidated balance sheets of the Company as at the end of each such Fiscal Year and consolidated statements of income for such Fiscal Year, prepared in accordance with GAAP. At the election and sole expense of Cole, an audit may be conducted with respect to any fiscal year by the auditor selected by the Board and reasonable satisfactory to Cole.

(b) As soon as available, and in any event within forty-five (45) days after the end of each quarterly accounting period in each Fiscal Year (other than the last fiscal quarter of the Fiscal Year), unaudited consolidated balance sheets of the Company as at the end of each such fiscal quarter and for the current Fiscal Year to date and unaudited consolidated statements of income, cash flows and Members' equity for such fiscal quarter and for the current Fiscal Year to date, in each case setting forth in comparative form the figures for the corresponding periods of the previous fiscal quarter, all in reasonable detail and all prepared in accordance with GAAP, consistently applied (subject to normal year-end audit adjustments and the absence of notes thereto), and certified by the principal financial or accounting officer of the Company.

Section 11.02 Inspection Rights. Subject to Section 10.01, upon reasonable notice from a Member, the Company shall afford such Member and its Representatives access during normal business hours to (i) the Company's properties, offices and other facilities; (ii) the corporate, financial and similar records, reports and documents of the Company, including all books and records, minutes of proceedings, internal management documents, reports of operations, reports of adverse developments, copies of any management letters and communications with Members, and to permit each Member and its Representatives to examine such documents and make copies thereof or extracts therefrom; and (iii) any Officers, senior employees and accountants of the Company and to afford each Member and its Representatives the opportunity to discuss and advise on the affairs, finances and accounts of the Company with such Officers, senior employees and accountants (and the Company hereby authorizes such employees and accountants to discuss with such Member and its Representatives such affairs, finances and accounts); *provided* that (x) the requesting Member shall bear its own expenses and all reasonable expenses incurred by the Company in connection with any inspection or examination requested by such Member pursuant to this Section 11.02 and (y) if the Company provides or makes available any report or written analysis for any Member pursuant to this Section 11.02, it shall promptly provide or make available such report or analysis to or for the other Members.

Section 11.03 Income Tax Status. It is the intent of the Company and the Members that the Company shall be treated as a partnership for U.S. federal, state and local income tax purposes. Neither the Company, the Partnership Representative nor any Member shall make an election for the Company to be treated as other than a partnership pursuant to Treasury Regulations Section 301.7701-3.

Section 11.04 Partnership Representative.

(a) The Members hereby appoint Christopher R. Mitchell, the Company's Chief Financial Officer, as the "partnership representative" (the "**Partnership Representative**") as provided in Code Section 6223(a). The Members hereby appoint William J. Rouhana, Jr., as the sole person authorized to act on behalf of the Partnership Representative (the "**Designated Individual**"). The Designated Individual may be removed at any time by the Board. The Partnership Representative shall resign if it is no longer a Member, and the Designated Individual shall resign if he is no longer an officer of the Partnership Representative. In the event of the resignation of the Partnership Representative, the other Members shall select a replacement. In the event of the resignation or removal of the Designated Individual, the Board shall select a replacement. If the resignation or removal of the Partnership Representative or Designated Individual occurs prior to the effectiveness of the resignation or removal under applicable Treasury Regulations or other administrative guidance, the Partnership Representative or Designated Individual that has resigned or been removed shall not take any actions in its capacity as Partnership Representative or Designated Individual except as directed by the other Members, in the case of a Partnership Representative that has resigned, or the Board, in the case of a Designated Individual that has resigned or been removed.

(b) The Partnership Representative is authorized and required to represent the Company in connection with all examinations of the Company's affairs by Taxing Authorities, including resulting administrative and judicial proceedings, and to expend Company funds for professional services and costs associated therewith. The Partnership Representative shall promptly notify Ozer if any tax return of the Company is audited and upon the receipt of a notice of final partnership administrative adjustment or final partnership adjustment, and shall keep Ozer reasonably informed of the status of any tax audit and resulting administrative and judicial proceedings. Without the consent of Ozer, the Partnership Representative shall not extend the statute of limitations, file a request for administrative adjustment, file suit relating to any Company tax refund or deficiency or enter into any settlement agreement relating to items of income, gain, loss or deduction of the Company with any Taxing Authority.

(c) To the extent permitted by applicable law and regulations, the Company will annually elect out of the partnership audit procedures enacted under Section 1101 of the BBA (the "**BBA Procedures**"). For any year in which applicable law and regulations do not permit the Company to elect out of the BBA Procedures, then within forty-five (45) days of any notice of final partnership adjustment, the Company will elect the alternative procedure under Code Section 6226, and furnish to the Internal Revenue Service and each Member during the year or years to which the notice of final partnership adjustment relates a statement of the Member's share of any adjustment set forth in the notice of final partnership adjustment.

(d) Each Member agrees that such Member shall not treat any Company item inconsistently on such Member's federal, state, foreign or other income tax return with the treatment of the item on the Company's return. Any deficiency for taxes imposed on any Member (including penalties, additions to tax or interest imposed with respect to such taxes and any taxes imposed pursuant to Code Section 6226) will be paid by such Member and if required to be paid (and actually paid) by the Company, will be recoverable from such Member as provided in Section 6.03(d).

(e) Except as otherwise provided herein, the Partnership Representative shall have sole discretion to make any determination regarding income tax elections it deems advisable on behalf of the Company; *provided*, that the Partnership Representative will make an election under Code Section 754, if requested in writing by a Member.

(f) Notwithstanding the foregoing, the Partnership Representative shall not take any action with respect to income taxes to the extent such action will have a disproportionately adverse impact upon any Member as compared with the other Members, without the consent of the Member being disproportionately affected, which consent is not to be unreasonably withheld, conditioned, or delayed.

Section 11.05 Tax Returns. At the expense of the Company, the Board (or any Officer that it may designate) shall endeavor to cause the preparation and timely filing (including extensions) of all tax returns required to be filed by the Company pursuant to the Code as well as all other required tax returns in each jurisdiction in which the Company owns property or does business. The Partnership Representative shall use commercially reasonable efforts to provide the other Members, for its review and comment, copies of all tax returns at least thirty (30) days prior to the filing thereof. If all Members (other than CSSE), as a group, object to any item on any such tax return, the Partnership Representative shall consider such item in good faith. As soon as reasonably possible after the end of each Fiscal Year, the Board or designated Officer will cause to be delivered to each Person who was a Member at any time during such Fiscal Year, IRS Schedule K-1 to Form 1065 and such other information with respect to the Company as may be necessary for the preparation of such Person's federal, state and local income tax returns for such Fiscal Year.

Section 11.06 Company Funds. All funds of the Company shall be deposited in its name, or in such name as may be designated by the Board, in such checking, savings or other accounts, or held in its name in the form of such other investments as shall be designated by the Board. All withdrawals of such deposits or liquidations of such investments by the Company shall be made exclusively upon the signature or signatures of such Officer or Officers as the Board may designate.

ARTICLE XII

DISSOLUTION AND LIQUIDATION

Section 12.01 Events of Dissolution. The Company shall be dissolved, and its affairs wound up only upon the occurrence of any of the following events:

- (a) The determination by the Board to dissolve the Company;
- (b) The Bankruptcy of a Member, unless within forty-five (45) days after the occurrence of such Bankruptcy, the Board determines to continue the business of the Company;
- (c) The sale, exchange, involuntary conversion, or other disposition or Transfer of all or substantially all the assets of the Company; or
- (d) The entry of a decree of judicial dissolution under § 18-802 of the Delaware Act.

Section 12.02 Effectiveness of Dissolution. Dissolution of the Company shall be effective on the day on which the event described in Section 12.01 occurs, but the Company shall not terminate until the winding up of the Company has been completed, the assets of the Company have been distributed as provided in Section 12.03 and the Certificate of Formation shall have been cancelled as provided in Section 12.04.

Section 12.03 Liquidation. If the Company is dissolved pursuant to Section 12.01, the Company shall be liquidated and its business and affairs wound up in accordance with the Delaware Act and the following provisions:

(a) The Board shall act as liquidator to wind up the Company (the “**Liquidator**”). The Liquidator shall have full power and authority to sell, assign and encumber any or all of the Company’s assets and to wind up and liquidate the affairs of the Company in an orderly and business-like manner; *provided* that, if the Board is the Liquidator, it shall act in accordance with the governance provisions in Article VII until the winding up occurs.

(b) As promptly as possible after dissolution and again after final liquidation, the Liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company’s assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable.

(c) The Liquidator shall liquidate the assets of the Company and distribute the proceeds of such liquidation in the following order of priority, unless otherwise required by mandatory provisions of Applicable Law:

(i) *first*, to the payment of all of the Company’s debts and liabilities to its creditors (including Members that are creditors, if applicable) and the expenses of liquidation (including sales commissions incident to any sales of assets of the Company);

(ii) *second*, to the establishment of and additions to reserves that are determined by the Liquidator to be reasonably necessary for any contingent unforeseen liabilities or obligations of the Company;

(iii) *third*, to the Members pro rata in accordance with their respective Percentage Interests.

(d) Notwithstanding the provisions of Section 12.03(c) that require the liquidation of the assets of the Company, but subject to the order of priorities set forth in Section 12.03(c), if upon dissolution of the Company the Liquidator reasonably determines that an immediate sale of part or all of the Company’s assets would be impractical or could cause undue loss to the Members, the Liquidator may defer the liquidation of any assets except those necessary to satisfy Company liabilities and reserves, and may, upon unanimous consent of the Members, distribute to the Members, in lieu of cash, as tenants in common and in accordance with the provisions of Section 12.03(c), undivided interests in such Company assets as the Liquidator deems not suitable for liquidation. Any such distribution in kind shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operating of such properties at such time. For purposes of any such distribution, any property to be distributed will be valued at its Fair Market Value, as determined by the Liquidator in good faith.

Section 12.04 Cancellation of Certificate. Upon completion of the distribution of the assets of the Company as provided in Section 12.03(c), the Company shall be terminated and the Liquidator shall cause the cancellation of the Certificate of Formation in the State of Delaware and of all qualifications and registrations of the Company as a foreign limited liability company in jurisdictions other than the State of Delaware and shall take such other actions as may be necessary to terminate the Company.

Section 12.05 Survival of Rights, Duties and Obligations. Dissolution, liquidation, winding up or termination of the Company for any reason shall not release any party from any Loss that at the time of such dissolution, liquidation, winding up or termination already had accrued to any other party or thereafter may accrue in respect of any act or omission prior to such dissolution, liquidation, winding up or termination. For the avoidance of doubt, none of the foregoing shall replace, diminish or otherwise adversely affect any Member's right to indemnification pursuant to Section 8.03.

Section 12.06 Recourse for Claims. Each Member shall look solely to the assets of the Company for all distributions with respect to the Company, such Member's Capital Account, and such Member's share of Net Income, Net Loss and other items of income, gain, loss and deduction, and shall have no recourse therefor (upon dissolution or otherwise) against the Liquidator or any other Member.

ARTICLE XIII

MISCELLANEOUS

Section 13.01 Expenses. Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with the preparation and execution of this Agreement, or any amendment or waiver hereof, and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

Section 13.02 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, the Company and each Member hereby agrees, at the request of the Company or any other Member, to execute and deliver such additional documents, instruments, conveyances and assurances and to take such further actions as may be required to carry out the provisions hereof and give effect to the transactions contemplated hereby.

Section 13.03 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; *provided*, no email shall be deemed to have been given hereunder unless the sender has also hand delivered, delivered by courier or mailed a physical copy of the contents of such email in accordance with clauses (a), (b) and/or (d) of this Section 13.03; or (d) on the third (3rd) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 13.03):

If to the Company:

Landmark Studio Group LLC
132 E Putnam Ave, Floor 2
Cos Cob, Connecticut 06807
E-mail: wrouhana@chickensoupforthesoul.com
Attention: William J. Rouhana, Jr.

with a copy to:

Graubard Miller
The Chrysler Building
405 Lexington Avenue, 11th Floor
New York, New York 10174
E-mail: dmiller@graubard and bross@graubard.com
Attention: David Alan Miller and Brian L. Ross

If to CSSE:

Chicken Soup for the Soul Entertainment, Inc.
132 E. Putnam Avenue, Floor 2
Cos Cob, Connecticut 06807
E-mail: wrouhana@chickensoupforthesoul.com
Attention: William J. Rouhana, Jr.

with a copy to:

Graubard Miller
The Chrysler Building, 11th Floor
405 Lexington Avenue
New York, New York 10174
E-mail: dmiller@graubard and bross@graubard.com
Attention: David Alan Miller and Brian L. Ross

If to Cole Investments VII LLC

Cole Strategic Partners
7047 E Greenway Pkwy
Unit 250
Scottsdale, Arizona 85254
E-mail: smisselbrook@colestrategicpartners.com
Attention: Simon Misselbrook

with a copy to:

Eisner LLPC
9601 Wilshire
7th Floor
Beverly Hills, California 90210
Email: Bkilb@eisnerlaw.com
Attn: Brian D. Kilb, Esq.

If to David Ozer:

David Ozer
26 Woodgreen Lane
Roslyn Heights, NY 11577
Email: david@ozerproductions.com

with a copy to:

Fox Rothschild LLP
101 Park Ave
Suite 1700
New York, NY 10178
Email: mchung@foxrothschild.com and msimon@foxrothschild.com
Attn: Michael H. Chung, Esq. and Mark H. Simon, Esq.

If to Legend Capital Management, LLC

For Legend Capital Management
11 Hunters Lane
Roslyn, NY 11576
Email: egreenberg@legendcap.com
Attn: Evan Greenberg
1777 S. Harrison St.
Suite 1300
Denver, Colorado 80210

If to Kevin V. Duncan

Email: kduncan@duncanoil.com

Section 13.04 Purchase Rights under Credit Agreement. Notwithstanding anything to the contrary contained herein, on or prior to the Maturity Date (as defined in the Cole Credit Line), Cole may elect by written notice to the Company (a “**Conversion Exercise**”) to purchase up to 4,000 Common Units of the Company (currently representing a 4% Percentage Interest) by forgiving and converting principal (and accrued but unpaid interest thereon) then outstanding under the Cole Credit Line into Common Units on the basis of 1,000 Common Units (currently representing a 1% Economic Percentage) for each \$1,000,000 of principal and accrued but unpaid interest thereon then outstanding under the Credit Facility. For example, if a total \$4 million principal and interest is outstanding under the Cole Credit Line at the time of the Conversion Exercise, 4,000 Common Units would be issued to Cole (and the ownership of David Ozer reduced by the same amount); if \$3 million principal and interest is outstanding under the Cole Credit Line at the time of the Conversion Exercise, 3,000 Common Units would be issued to Cole (and the ownership of David Ozer reduced by the same amount). If at the time of the Conversion Exercise, the principal and outstanding under the Cole Credit Line would not allow Cole to receive an aggregate of 4,000 Common Units upon such conversion, Cole may elect to purchase that number of Common Units for cash payable to the Company (on the basis of \$1,000,000 per 1,000 Common Units) that, when combined with the Common Units issued upon such conversion, totals 4,000 Common Units (and the ownership of David Ozer reduced by the same amount).

Section 13.05 Headings. The headings in this Agreement are inserted for convenience or reference only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provision of this Agreement.

Section 13.06 Severability. If any term or provision of this Agreement is held to be invalid, illegal or unenforceable under Applicable Law in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Except as provided in Section 8.03(g), upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to affect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 13.07 Entire Agreement. This Agreement, together with the Certificate of Formation and all related Exhibits, Annexes and Schedules attached hereto and thereto, contain the entire agreement among the parties with respect to the subject matter hereof and thereof, and supersede all prior agreements and understandings, oral or written, with respect to such matters.

Section 13.08 Successors and Assigns. Subject to the restrictions on Transfers set forth herein, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, legal representatives and permitted assigns. Except as permitted by this Agreement, no party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other parties and any purported assignment in violation of the foregoing shall be null and void ab initio.

Section 13.09 No Third-Party Beneficiaries. Except as expressly set forth in Article VIII, which shall be for the benefit of and enforceable by Covered Persons as described therein, nothing in this Agreement, express or implied, is intended to confer upon any Person (including any creditor of the Company) other than the Company and the Members, and their respective successors, legal representatives and permitted assigns, any rights, benefits or remedies under or by reason of this Agreement.

Section 13.10 Amendment. This Agreement may be amended by the holders of the majority of the outstanding Common Units; provided, however, that no such amendment shall be made to the extent such amendment will have a disproportionately adverse impact upon any Member as compared with the other Members, with the consent of such adversely effected Member.

Section 13.11 Waiver. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. For the avoidance of doubt, nothing contained in this Section 13.10 shall diminish any of the explicit and implicit waivers described in this Agreement, including in Section 13.13 hereof.

Section 13.12 Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to the laws of any other jurisdiction that might be applied because of the conflicts of laws principles of such state.

Section 13.13 Arbitration. All actions or proceedings arising in connection with, touching upon or relating to this Agreement, the breach thereof and/or the scope of the provisions of this Section 13.12 shall be submitted to JAMS Worldwide (“JAMS”) for binding arbitration under its Comprehensive Arbitration Rules and Procedures if the matter in dispute is over Two Hundred Fifty Thousand Dollars (\$250,000) or under its Streamlined Arbitration Rules and Procedures if the matter in dispute is Two Hundred Fifty Thousand Dollars (\$250,000) or less to be held solely in Fairfield County, Connecticut, in the English language in accordance with the provisions below.

(a) Each arbitration shall be conducted by a single arbitrator (the "Arbitrator") who shall be mutually agreed upon by the parties. If the parties are unable to agree on the Arbitrator, the Arbitrator shall be appointed by JAMS. The Arbitrator shall be a retired judge with at least ten (10) years of experience in commercial matters.

(b) The Arbitrator's fees shall be split equally between the parties and each party shall be responsible for the payment of its own costs, attorneys' fees, expert fees and all of its other fees, costs and expenses in connection with any arbitration, unless the Arbitrator finds that a party proceeded in bad faith, in which case the Arbitrator may award fees or costs in the exercise of discretion.

(c) The parties shall be entitled to conduct discovery as the Arbitrator authorizes as reasonable under all of the circumstances, based on findings that the material sought is relevant to the issues in dispute and that the nature and scope of such discovery is reasonable under all the circumstances. Such discovery ordered by the Arbitrator shall be limited to depositions and production of documents.

(d) There shall be a record of the proceedings at the arbitration hearing and the Arbitrator shall issue a Statement of Decision setting forth its factual and legal basis. The Arbitrator's decision shall be final and binding as to all matters of substance and procedure and may be enforced by a petition to the Los Angeles County Superior Court or, in the case of CSSE or the Company, such other court having jurisdiction over CSSE or the Company, which may be made *ex parte*, for confirmation and enforcement of the award.

(e) The Arbitrator shall have the power to enter temporary restraining orders and preliminary and permanent injunctions as proper under Connecticut law. Neither party is permitted to commence or maintain any action in a court of law with respect to dispute until such matter has been submitted to arbitration as provided here, and then only for the purpose of enforcing the Arbitrator's award; *provided, however*, that prior to the appointment of the Arbitrator, either party may seek pre-arbitration relief in a court of competent jurisdiction in Fairfield County, Connecticut or, if sought by Ozer, such other court that may have jurisdiction over CSSE or the Company. All arbitration proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed, except as necessary to obtain court confirmation of the arbitration award.

(f) Notwithstanding anything to the contrary herein, each Member hereby irrevocably waives any right or remedy to seek and/or obtain injunctive or other equitable relief or any order with respect to, and/or to enjoin or restrain or otherwise impair in any manner, the production, distribution, exhibition or other exploitation of any television program, motion picture, production or project related to Borrower, its parents, Subsidiaries and Affiliates, or the use, publication or dissemination of any advertising in connection with such television program, motion picture, production or project. The provisions of this Section 13.12(f) shall supersede any inconsistent provisions of any prior agreement between the parties.

Section 13.14 Waiver of Jury Trial. Each party hereto hereby acknowledges and agrees that any controversy that may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby.

Section 13.15 Specific Performance. The parties agree that irreparable harm would occur and that the parties would not have an adequate remedy at law if any of the provisions of this Agreement were not performed in accordance with their specific terms on a timely basis or were otherwise breached. It is accordingly agreed that, without posting a bond or other undertaking, the parties shall be entitled to injunctive or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of competent jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. In the event that any such action is brought in equity to enforce the provisions of this Agreement, no party hereto will allege, and each party hereto hereby waives the defense or counterclaim, that there is an adequate remedy at law. The parties further agree that (a) by seeking any remedy provided for in this Section 13.14, a party hereto shall not in any respect waive its right to seek any other form of relief that may be available to such party hereto under this Agreement and (b) nothing contained in this Section 13.14 shall require any party hereto to institute any action for (or limit such party's right to institute any action for) specific performance under this Section 13.14 before exercising any other right under this Agreement.

Section 13.16 Counterparts; Effectiveness. This Agreement may be executed in several counterparts (any of which counterparts may be delivered by facsimile, portable document format (pdf) or any electronic signature complying with the U.S. federal E-SIGN Act of 2000 (including DocuSign)), each of which shall be deemed an original and all of which shall together constitute one and the same instrument. This Agreement shall become effective when each party shall have received a counterpart hereof signed by all of the other parties. Until and unless each party has received a counterpart hereof signed by the other parties, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). Minor variations in the form of the signature page, including footers, will be disregarded in determining a party's intent or the effectiveness of such signature.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

The Company:

LANDMARK STUDIO GROUP LLC

By: /s/ William J. Rouhana, Jr.

Name: William J. Rouhana, Jr.

Title: Executive Chairman

Signature Page to Limited Liability Company Agreement

The Members:

CHICKEN SOUP FOR THE SOUL ENTERTAINMENT, INC.

By: /s/ William J. Rouhana, Jr.

Name: William J. Rouhana, Jr.

Title: Chairman and CEO

COLE INVESTMENTS VII, LLC

By: /s/ Simon Misselbrook

Name: Simon Misselbrook

Title: President

/s/ David Ozer

DAVID OZER

LEGEND CAPITAL MANAGEMENT, LLC

By: /s/ Evan Greenberg

Name: Evan Greenberg

Title: CEO and President

/s/ Kevin V. Duncan

KEVIN V. DUNCAN

Signature Page to Limited Liability Company Agreement

SCHEDULE A
MEMBERS SCHEDULE

Member Name and Address	Percentage Interest*	Common Units
Chicken Soup for the Soul Entertainment, Inc. ("CSSE") 132 E. Putnam Avenue, Floor 2W Cos Cob, Connecticut 06860	51%	51,000
Cole Investments VII, LLC ("Cole") [address]	25%*	25,000
David Ozer ("Ozer") [address]	21%*	21,000
Legend Capital Management, LLC ("Legend") [address]	2%	2,000
Kevin V. Duncan ("Duncan") [address]	1%	1,000
Total:	100%*	100,000

*Subject to adjustment in accordance with the terms hereof.

SCHEDULE B
INITIAL OFFICERS

Executive Chairman – William J. Rouhana, Jr.

Chief Executive Officer – David Ozer.

Chief Financial Officer – Christopher R. Mitchell



Chicken Soup for the Soul Entertainment Launches Landmark Studio Group with Industry Veteran David Ozer

*New Studio Will Work Closely with Chicken Soup for the Soul Entertainment's
Crackle Plus and Screen Media Ventures*

COS COB, CT – October 15, 2019 – Chicken Soup for the Soul Entertainment, Inc. (Nasdaq: CSSE), a growing media company building online video-on-demand (“VOD”) networks that provide video content for all screens, today announced the launch of Landmark Studio Group (“Landmark”) in partnership with 30-year entertainment industry veteran, David Ozer.

Landmark, which will be headquartered in New York with offices in Los Angeles, is a fully integrated entertainment company focused on ownership, development, and production of quality entertainment franchises. Ozer will serve as Landmark’s chief executive officer. In addition to Chicken Soup for the Soul Entertainment, Cole Strategic Partners has committed funding to Landmark.

Landmark will develop, produce, distribute and own all of the intellectual property (IP) it creates, building a valuable library. The studio will be independent, having the ability to sell its content to any network or platform, while also developing and producing original content for Chicken Soup for the Soul Entertainment’s recently acquired Crackle, a leading ad-supported VOD (“AVOD”) network. Landmark will control all worldwide rights and will distribute through Chicken Soup for the Soul Entertainment’s Screen Media division.

Landmark has several television and film projects in development, including:

- **THE FIX** – A scripted drama series that explores the most explosive story of sports corruption in a generation based on the book by Declan Hill. *The Fix* is written by **David Dilley** and produced by Calamity Jane’s **Ellen Pompeo** and **Laura Holstein**.
- **THE HISTORY OF GANGSTER RAP** - A documentary series based on the bestselling book by **Soren Baker**, who serves as producer along with **Jorge Hinojosa** and **Ice-T**, and features **Dr. Dre**, **Snoop Dogg**, **Ice Cube** and many others.
- **SAFEHAVEN** - Directed by **Brad Turner** (*Homeland*, *24*), **Safehaven**, a supernatural horror series based on the graphic novel about a female comic book artist whose drawings come alive to haunt her. *Safehaven* is produced by Turner, **Thomas Vitale** (*Pandora*), **Jessica Petelle** (*V-Wars*, *Hawaii Five-0*), **James Seale** (*30 Below*), **Kevin Duncan** and Michael Bay’s **451 Media**.

Landmark will also be producing various stand-up comedy specials and animated series.

“All of us at Chicken Soup for the Soul Entertainment are thrilled to be in business with David Ozer. He has the ability and talent to turn Landmark into a high-volume content production operation that we anticipate will provide an additional revenue stream for our company while mitigating production risk,” said William J. Rouhana Jr., chairman and chief executive officer of Chicken Soup for the Soul Entertainment. “We expect Landmark to provide valuable original content to Crackle and the other six AVOD networks that are part of our Crackle Plus subsidiary, as well as our other Chicken Soup for the Soul Entertainment divisions.”

www.cssentertainment.com



[@CSSEntertain](https://twitter.com/CSSEntertain)



www.facebook.com/chickensoupforthesoul

“It’s incredible what Chicken Soup for the Soul Entertainment is creating in the AVOD space, and I’m excited to launch Landmark as an important studio operation for tomorrow’s media consumers,” said Ozer. “With the support of Chicken Soup for the Soul Entertainment, we are poised to become a significant player in the global content marketplace.”

“We are thrilled to join forces with Bill and David to launch Landmark, which we anticipate will become a major force in the entertainment industry,” said Simon Misselbrook, president of Cole Strategic Partners.

As chief executive officer of the newly formed studio, Ozer will spearhead its content development and production operations. During his time at IDW Entertainment as founding president from 2013-2018, he oversaw the independent mini-studio’s overall operations and focused on developing, producing, and distributing content that appeals to a broad global audience. Ozer is credited with the independent mini-studio’s expansion, and the success of its two most prominent series, overseeing the development and production of three seasons of *Wynonna Earp* for Syfy, and two seasons of *Dirk Gently* for BBC America. He also oversaw the development of *Locke & Key* and *V-Wars* for Netflix. Ozer has also held executive level positions at multinational media corporations, including executive vice president of television at Starz Media; senior vice president of domestic television at RHI Entertainment; head of worldwide distribution at Sonar; senior vice president of sales at DIC Entertainment and vice president of sales at Sony Pictures Television.

ABOUT CHICKEN SOUP FOR THE SOUL ENTERTAINMENT

Chicken Soup for the Soul Entertainment, Inc. (Nasdaq: CSSE) is a growing media company building and acquiring streaming video-on-demand networks (VOD) that provide content for all screens. The company owns a majority stake in Crackle Plus, which owns and operates a variety of ad-supported and subscription-based VOD networks including Crackle, Popcornflix, Popcornflix Kids, Truli, Pivotshare, Españolflix and FrightPix. The company also acquires and distributes video content through its Screen Media subsidiary and produces long and short-form content through its Chicken Soup for the Soul Originals division and through APlus.com. Chicken Soup for the Soul Entertainment is a subsidiary of Chicken Soup for the Soul, LLC, which publishes the famous book series and produces super-premium pet food under the Chicken Soup for the Soul brand name.

ABOUT COLE STRATEGIC PARTNERS

Cole Strategic Partners is a family office focused on making quality investments with exceptional partners and managers leading their industries. The company’s investment philosophy is built on an unwavering commitment to create an extraordinary, diversified investment portfolio while being a strong fiduciary of its capital. The Company’s expertise and relationships across multiple industries provide unique access to outstanding opportunities and co-investment partners.

FORWARD-LOOKING STATEMENTS

This press release includes forward-looking statements that involve risks and uncertainties. Forward-looking statements are statements that are not historical facts. Such forward-looking statements are subject to risks (including those set forth in the Annual Report on Form 10-K, filed with the Securities and Exchange Commission on April 1, 2019, as amended April 30, 2019 and June 4, 2019) and uncertainties which could cause actual results to differ from the forward-looking statements. The company expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the company’s expectations with respect thereto or any change in events, conditions or circumstances on which any statement is based. Investors should realize that if our underlying assumptions for the projections contained herein prove inaccurate or that known or unknown risks or uncertainties materialize, actual results could vary materially from our expectations and projections.

www.cssentertainment.com



[@CSSEntertain](https://twitter.com/CSSEntertain)



www.facebook.com/chickensoupporthesoul

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