

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

GROSVENOR PARK MEDIA FUND L.P.

Plaintiff

and

**ARC PRODUCTIONS LTD., ARC HOLDINGS INC., ARC INVESTMENTS LTD.,
ARC/DARK CRYSTAL PRODUCTIONS INC., KICK PRODUCTIONS LTD., IN THE
JUNGLE PRODUCTIONS INC., TF I PRODUCTIONS INC., BL II PRODUCTIONS
INC., ARCADIA PRODUCTIONS LTD., EGGS LTD., PRINCESS PRODUCTIONS
INC., UNDERZOO PRODUCTIONS INC., HOLE IN THE BELLY PRODUCTIONS
LTD., SIR SIMON PRODUCTION LTD., SAMURAI PRODUCTIONS LTD., THOMAS
MURRAY, KALLAN KAGAN and PETER KOZIK**

Defendants

RESPONDING MOTION RECORD OF BLAZING PRODUCTIONS LTD.

Date: June 19, 2020

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TAB 1

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MURRAY, KALLAN KAGAN and PETER KOZIK**

Defendants

AFFIDAVIT OF BRITTANY OATES

[Sworn June 19, 2020]

I, **BRITTANY OATES**, of the City of Toronto, Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a legal assistant in the law firm Goldenberg Nahmias LLP, solicitors for Blazing Productions Ltd. ("**BPL**"). I have directly assisted with this matter and as such have knowledge of the matters herein deposed, except where stated to be based upon information and belief, and where so stated, I believe the same to be true.
2. BPL is a third party claimant in this proceeding. BPL is party to a Production Services Agreement dated as of September 21, 2015 (the "**PSA**") with the Defendant, Arc Productions Ltd. ("**Arc**").
3. The PSA was attached as Appendix "A" to the Fifteenth Report of Deloitte Restructuring Inc. (the "**Receiver**") as the receiver of the assets, properties and undertakings of Arc and the other corporate Defendants (collectively, the "**Arc Defendants**").
4. On June 8, 2020, our firm received an e-mail from the Plaintiff's legal counsel attaching a fully executed amended and restated production services agreement dated as of April ___, 2016, with effect as of September 21, 2015 between BPL and its now-wholly-owned subsidiary Blazing Samurai Productions

Inc. (an Ontario corporation) (“**BSPI**”) on the one hand, and Arc and its wholly-owned subsidiary Samurai Productions Ltd. (“**SPL**”) on the other hand (the “**ARPSA**”). The ARPSA is attached hereto and marked as **Exhibit “A”**.

5. Included in the June 8, 2020 e-mail from Plaintiff’s legal counsel was a notice of assignment & direction to pay (the “**NOA**”) dated as of July 13, 2016 executed by Arc, SPL, BPL, and BSPI. A copy of the NOA is attached hereto and marked as **Exhibit “B”**.

6. I am advised by Guy Collins, a director of BPL, and verily believe, that the ARPSA delivered to our firm by Plaintiff’s legal counsel was previously unknown to Mr. Collins, and was, in any event, unknown to the Receiver prior to June 8, 2020.

7. On November 12, 2019, Mr. Collins and the Receiver received an e-mail from Kay & Warburton Chartered Professional Accountants (“**K&W**”), the specialist consultants retained by the Receiver to make application for the Ontario Computer Animation & Special Effects (“**OCASE**”), Ontario Production Services Tax Credit (“**OPSTC**”), and the federal Film or Video Production Services Tax Credit (“**PSTC**”) tax credits, attaching a partially executed amended and restated production services agreement dated as of April ____, 2016, with effect as of September 21, 2015 (the “**Unexecuted ARPSA**”) between BSPI, on the one hand, and Arc and SPL on the other hand. The Unexecuted ARPSA is attached hereto and marked as **Exhibit “C”**.

8. Included in the November 12, 2019 email from K&W was a breakdown of the tax credits (and the applicant for each) (the “**K&W Breakdown**”) and analysis from K&W with respect to the eligibility of the prospective applicants for the applicable tax credits. The K&W Breakdown is attached hereto and marked as **Exhibit “D-1”** and the November 12, 2019 email is attached hereto and marked as **Exhibit “D-2”**.

**THIS IS EXHIBIT "A" TO THE AFFIDAVIT OF
BRITTANY OATES
SWORN BEFORE ME THIS 19TH DAY OF JUNE, 2020**

A handwritten signature in black ink, appearing to be "BC", is written above a horizontal line.

A COMMISSIONER ETC.

Benjamin Cowley

AMENDED AND RESTATED PRODUCTION SERVICES AGREEMENT

“Blazing Samurai”

This production services agreement (“**Agreement**”) is made as of April _____, 2016 with effect as of September 21, 2015 (“**Effective Date**”) between **ARC PRODUCTIONS LTD.**, a corporation continued under the laws of the Province of Ontario with an office located at 230 Richmond Street East, Toronto, Ontario, Canada M5A 1P4 (“**Arc**”), **SAMURAI PRODUCTIONS LTD.**, a wholly-owned subsidiary of Arc incorporated under the laws of the Province of Ontario with an office located at 364 Richmond Street West, Suite 100, Toronto, Ontario, Canada M5V 1X6 (“**Samurai**”), **BLAZING PRODUCTIONS LTD.**, a company organized under the laws of England and Wales with an office located at 10 Coda Centre, 189 Munster Road, London SW6 6AW (“**BPL**”) and **BLAZING SAMURAI PRODUCTIONS INC.**, a wholly-owned subsidiary of BPL continued under the laws of the Province of Ontario with an office located at 497 King Street East, 3rd Floor, Toronto Ontario, Canada, M5A 1L9 (“**Producer**”). For good and valuable consideration, the parties agree as follows:

1. Production Services:

(a) BPL is the copyright owner of all right, title and interest in and to the animated feature film known as “Blazing Samurai” (the “**Film**”), including all underlying rights sufficient to produce the Film, and will remain so throughout the period during which Samurai’s services as set out below are provided in Canada. BPL has entered into a Production Services Agreement with Producer for production services with respect to the Film and Producer has recommended engaging Samurai to provide certain services in connection with the Film. Producer, on behalf of BPL and Producer, has agreed to pay Samurai for its services in accordance with the terms and conditions as set out below.

(b) Pursuant to the terms and conditions of this Agreement, BPL and Producer hereby engage Samurai on an independent contractor basis, to provide animation production Services (as defined below) for the animated feature film known as “Blazing Samurai” (the “**Film**”), with the results and proceeds of such Services referred to as “**Materials**”, in accordance with the terms and conditions of this Agreement. As between Arc and Samurai on the one hand, and Producer and BPL on the other, Producer shall have all creative approvals and controls in connection with the Services.

(c) Samurai hereby agrees to supply all necessary facilities, personnel, development and production services, materials, expertise and animation services for the Film subject to and in accordance with all terms, conditions, and specifications set forth herein (hereinafter collectively “**Services**”). Samurai shall devote its best efforts, talents and abilities in connection with the performance of the Services and shall render the Services in a first class, competent, professional manner.

(d) In accordance with the Production Schedule (as defined below) and the needs of the production, Producer shall deliver to Samurai the elements listed in Schedule “A” (“**Elements to be Delivered to Samurai**”), which schedule and elements may be adjusted by the mutual consent of the parties. The Services shall be rendered pursuant to Producer’s directions and in accordance with the critical assumptions of the Film attached hereto as Schedule “B” (“**Critical Assumptions**”), as such may be amended from time to time in Producer’s sole discretion upon reasonable notice to Samurai, with the understanding that material changes outside the scope of the Critical Assumptions may be in excess of the budget for the Film attached hereto as Schedule “C” (“**Budget**”) and may constitute a Change Order Service (as defined below) in accordance with and subject to the terms and conditions of subparagraph (h) below.

(e) The parties acknowledge that the Budget is adequate to complete the production of the Film in accordance with the Critical Assumptions and the production schedule attached hereto as Schedule “D” (“**Production Schedule**”). Except for any increased costs in the Budget directly relating to Producer’s failure to adhere to the material aspects of the Critical Assumptions or resulting from Producer Delays as set out in paragraph 5, Samurai shall be responsible for any expenditure in excess of the Budget, required to complete and deliver the Elements in accordance with this Agreement, unless pre-approved in writing by Producer. All Elements (as defined below) shall be submitted to Producer in accordance with the Production Schedule and the Critical Assumptions and Producer shall have the opportunity to review and approve all such Elements and request reasonable changes, which changes Samurai undertakes to complete in a reasonable and timely fashion in accordance with paragraph 6 herein. If Producer requests that Samurai deliver Elements that do not materially adhere to the Critical Assumptions, Samurai shall notify Producer in writing in the event that any such request constitutes a Change Order Service (as defined below) in accordance with and subject to the terms and conditions of subparagraph (h) below.

(f) As part of the Services, Samurai shall supply Producer with the following production reports: (i) a biweekly itemized cost report, showing overages/underages with an explanation, a sample of which is attached hereto as Schedule “E” (“**Cost Report**”) and (ii) weekly production updates including accurate updates of the progress of each stage in production, in the form of a production report, a sample of which is attached hereto as Schedule “F” (“**Production Report**”). The parties agree that the Cost Report shall track back to the Budget and the Production Schedule.

(g) Producer shall have the right to approve and disapprove Samurai’s key personnel for the Film (collectively, “**Key Personnel**”). Producer hereby approves the Key Personnel listed on Schedule “G” (“**Key Personnel Schedule**”) attached hereto. If any member of the Key Personnel ceases such continuing and primary responsibility on the Film, for whatever reason, the Producer shall have the right to review and approve or disapprove the replacement of such Key Personnel. Services shall include the exclusive services of Rob Silvestri (“**Silvestri**”) as the creative lead for Samurai and Co-director of the Film and the services of Kallan Kagan in the capacity of production executive for Samurai.

(h) **Additions/Changes:** If Producer (i) requests additional Services other than those defined herein, or not agreed to by the parties in writing, (ii) requests changes, modifications or alterations so as to unreasonably expand the scope of the Services, and/or (iii) fails to provide timely approvals pursuant to paragraph 5 below, (each of the foregoing is referred to herein as a “**Change Order Service**”) then, prior to the commencement of such Change Order Service and provided such Change Order Service can be reasonably completed by Samurai, Samurai shall submit an estimate of the costs and timeline for completing such Change Order Service (“**Change Order Bid**”) and Producer shall approve or reject the Change Order Bid in a timely manner, consistent with the Critical Assumptions of the Film, but in any event within five (5) business day or same shall be deemed rejected.

(i) Samurai shall deliver to Producer the Materials as specified in the Critical Assumptions, which shall conform to the technical delivery specifications attached hereto as Schedule “H” (“**Technical Delivery Specifications**”). In no event shall delivery of the Elements (as defined below) be later than May 12, 2017, unless an alternative date is mutually agreed to by the parties in writing in advance (email is acceptable) (“**Delivery Date**”).

2. Term: Samurai’s Services shall commence upon execution of this Agreement, and shall continue until completion of all Services and delivery to and acceptance by Producer of the final elements of the Film set forth in Schedule “I” (“**Elements**”) attached hereto, such acceptance not to be unreasonably withheld.

3. Compensation: All amounts referred to in this Agreement are intended to be in lawful currency of Canada. Subject to paragraphs 13, 14 and 15 herein and in consideration for the Services to be provided by Samurai in accordance with this Agreement as well as the representations, warranties and indemnities provided by Samurai hereunder, Producer shall pay Samurai in full and complete consideration of the Services, an aggregate amount equal to CAD\$21,468,806 less the Samurai Investment (as set out in paragraph 4 below) (the “**Compensation**”). The Compensation shall be payable in accordance with the cash flow schedule attached hereto as Schedule “J” (“**Cash Flow Schedule**”) within five (5) business days of Producer’s receipt of an invoice from Samurai. Notwithstanding the foregoing, the parties acknowledge and agree that the advance fee of CAD\$1,100,000 (“**Advance Fee**”) shall be payable on or before execution of this Agreement by Producer and CAD\$500,000 of such Advance Fee shall be non-refundable (the “**Non-Refundable Advance Fee**”). Subject to paragraphs 13, 14 and 15 herein, the parties acknowledge and agree that if Producer fails to pay the Compensation in accordance with this paragraph 3, the Services shall be suspended until all payments are brought current and paid by Producer to Samurai as agreed upon herein.

4. Equity Investment: Samurai shall contribute US\$1,000,000 converted at the current Bank of Canada exchange rate of 1.3136 and adjusted to the locked exchange rate applicable at the time of closing of the financing for the Film (the “**Samurai Investment**”), which shall form an equity investment in the Film. The Samurai Investment shall be repaid *pari passu* alongside other equity investors in the Film to be negotiated in good faith between the parties and set forth in a recoupment schedule for proceeds from the Film.

5. Deliveries:

(a) Timely completion and delivery of the Elements in accordance with the quality requirements outlined herein, the Production Schedule and the Technical Delivery Specifications is of the essence of this Agreement.

(b) Samurai acknowledges that Producer will incur additional costs and damages if deliveries from Samurai are not received by Producer on the dates set out in the Production Schedule. Without limiting any other rights of Producer, if Samurai fails to make any material delivery of any Element on the date set forth in the Production Schedule for any reason other than Force Majeure (as defined below) or delays caused by Producer’s late delivery of Elements to be Delivered to Samurai, delays in the Producer’s approval as set forth in paragraph 6, or Producer extensions to the Production Schedule not agreed to by Samurai (collectively, “**Producer Delays**”), the actually incurred production costs of such delays shall be borne by Samurai, and Samurai shall be responsible for any resulting delay or costs, damages or losses.

(c) In the event of any Producer Delays, Producer shall be responsible for any production costs of such delays or costs, damages or losses.

(d) Samurai shall carefully vault and backup all necessary production materials and assets forming the Elements for delivery to Producer and shall provide Producer with a backup, at the end of the production of the Elements (individual final elements such as character rigs, models, etc. to be delivered as set forth in Schedule I).

6. Approvals:

(a) Producer shall have full creative control and final right of approval over all Services and all Materials, including without limitation the Elements, to be delivered by Samurai hereunder. Producer shall use its best efforts to either approve or disapprove, with instructions on required changes in writing, each Element within four (4) business days after Producer’s receipt of such submitted Element

(“**Approval Period**”), by signing off or requesting changes by email. Each Element submitted to Producer for approval shall not be deemed approved until it is specifically approved by Producer.

(b) If Producer disapproves of a submission, Producer shall give Samurai specific reasons therefore in accordance with the Critical Assumptions of the Film, and Samurai shall conform such submission to Producer’s requirements and shall resubmit same to Producer until such time as Producer approves such Element, provided that Producer’s Approval Period shall be reduced to forty-eight (48) hours for all such re-submissions. All of Producer’s approvals and/or disapprovals herein shall be exercised reasonably and consistent with the quality levels required on the Film and as set forth in the Critical Assumptions.

(c) Producer shall grant approval or provide notes in a timely manner; provided that if any approval or requests for changes are not timely given as set forth above, Samurai may, at its election: (i) postpone its delivery obligations by any period of delay caused by Producer’s failure to make approvals or provide notes as set forth above; and/or (ii) submit a Change Order Bid pursuant to paragraph 1(h) above. Any delay or postponement due to Producer’s failure to provide approvals and/or notes pursuant to this paragraph 6 and paragraph 1(h) above and consistent with the Production Schedule and Critical Assumptions, shall constitute a Producer Delay and be at Producer’s sole cost and expense, including, but not limited to, the cost and expense of maintaining the Film’s crew throughout the entirety of any such delay or postponement. Producer’s designee for such approvals shall be Susan Purcell or her designee.

7. Grant of Rights:

(a) Arc and Samurai acknowledge and agree that BPL shall irrevocably, solely and exclusively own throughout the world in perpetuity all rights of every kind and nature whatsoever, including, without limitation, the copyright and all rights of copyright, in and to the Materials and Elements, including the right to use such Materials and Elements in any motion pictures (and ancillary and derivative works thereof) in any and all means, uses and media, now known or hereafter known, devised, developed, invented or discovered in perpetuity throughout the universe in all languages. Arc and Samurai further agree that any and all materials created by Samurai in connection with the Services and including without limitation, the Materials and Elements (collectively, the “**Work**”), constitute “works made for hire” exclusively commissioned by BPL within the meaning of the *United States Copyright Act of 1976*, 17 U.S.C. § 101 *et seq.*, and to be a “work made in the course of employment” in accordance with the *Copyright Act* (Canada) and BPL shall be deemed to be and is the original and sole author of such Work. In the event that a determination is ever made that any such Work does not constitute a “work made for hire”, then such Work and all rights therein, including, without limitation, all copyrights throughout the world and renewals and extensions thereof, are hereby deemed to be and are assigned and transferred to BPL in perpetuity without reservation, condition or limitation in any and all media, whether now known or hereafter invented. Samurai specifically waives any and all “artist’s rights,” rights of “droit morale” or any similar rights Samurai may have pursuant to any applicable laws, in all languages, in or to the Services, the Film, the Work, the Elements and the Materials. BPL shall have the right, in its sole discretion, to modify, adapt or otherwise alter any of the Work in its sole discretion. BPL shall have the irrevocable, sole, exclusive and unlimited right, but no obligation, to produce, publish, distribute, transmit, exhibit, exploit, license, broadcast and re-broadcast the Film and the Work in whole or in part or any element thereof in any format by any and all means, uses and media, now or hereafter known, devised, developed, invented or discovered in perpetuity throughout the universe in all languages. Notwithstanding anything to the contrary contained herein, Arc shall retain ownership and possession of any proprietary research and development, mechanical devices, processes or applications, software and plug-ins solely owned and/or developed by Samurai prior to and/or while creating the Materials and/or the Elements (the “**Technology**”). Arc hereby grants to BPL and BPL’s distributor(s), an unconditional, perpetual, royalty-free, “gratis”, irrevocable license, throughout the universe to utilize the Technology and the right to license to BPL’s and each such distributor’s sublicensees and sub-

distributors the Technology solely in connection with the development, production and exploitation of the Film and/or the Work and any and all ancillary productions including without limitation trailers, DVD bonus material, proof of concept, but excluding any subsequent production(s) such as sequels, prequels and/or series.

(b) The rights granted hereunder include, without limitation, all rights, to add to, take from, translate, or otherwise modify the Elements and the Materials, including the title(s) thereof, in any manner that BPL may in its discretion determine.

(c) All rights granted and agreed to be granted to BPL hereunder shall be irrevocably vested in BPL and shall not be subject to rescission by Arc or Samurai for any cause whatsoever. Non-payment, termination, suspension or expiration of this Agreement for any reason shall not, in any event, affect BPL's ownership of materials furnished by it under this Agreement.

(d) Arc and Samurai agree to assist BPL, or its designee, at BPL's expense, in every commercially reasonable way to secure BPL's rights in and to the Work and any copyrights, patents, or other intellectual property rights relating thereto in any and all countries, including the disclosure to BPL of all pertinent information and data within Arc's and Samurai's reasonable knowledge and possession with respect thereto, the execution when it is within Arc's or Samurai's power to do so of all applications, specifications, oaths, assignments and all other instruments which BPL shall deem necessary in order to apply for and obtain such rights and in order to assign and convey to BPL, its successors, assigns and nominees the sole and exclusive rights, title and interest in and to such Work and any copyrights, patents, or other intellectual property rights relating thereto. Arc and Samurai further agree that their obligations to execute or cause to be executed, when it is in their power to do so, any such instrument or papers shall continue after the termination of this Agreement.

(e) Arc and Samurai agree that if BPL is unable because of Arc's or Samurai's unavailability, dissolution, mental or physical incapacity, or for any other reason, to secure Arc's or Samurai's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering the Work assigned to BPL herein, then Arc and Samurai hereby irrevocably designate and appoint BPL and its duly authorized officers and agents as Arc's and Samurai's agent and attorney in fact, to act for and in Arc's and Samurai's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents and copyright registrations thereon with the same legal force and effect as if executed by Arc or Samurai.

(f) If any contribution to the Materials and/or the Elements is created by any third party engaged by Samurai, Samurai shall ensure that it acquires from such third party (and hereby assigns same to BPL) all rights of every kind and nature in such contribution, and shall submit the form of agreement to be entered into with such third party to Producer for its prior approval for use in connection with the Film and all allied and ancillary rights therein and thereto.

(g) Each of Arc and Samurai grant to Producer, on behalf of itself and any employee or third party engaged by Samurai, an unrestricted license to use Arc's and Samurai's name and approved biography, and the name, likeness and approved biography of any employee or third party engaged by Samurai, without additional compensation, in any and all media, including without limitation film, audio and videotape and still photography for purposes of advertising, promoting and publicizing the Film.

8. Credits:

(a) Provided that the Services are satisfactorily performed and completed in accordance with this Agreement, Producer uses all or part of the Work in an audiovisual work including, but not limited to,

the Film and subject to the approval of distributors and financiers, Arc and Samurai shall receive the following screen collective credits: (i) two (2) Executive Producer credits; (ii) a Co-director credit for Rob Silvestri; (iii) a production credit in the end titles substantially as: “Animation Produced at: Arc Productions Ltd., Toronto and (iv) applicable credits to production personnel rendering Services on the Film as the parties mutually agree upon.

(b) Except as specified above, all aspects of such credits will be within Producer’s sole discretion, including without limitation, color, size, placement, duration, style and prominence. No casual or inadvertent failure by Producer and no failure by any third party to provide such credits shall be considered a breach of this Agreement. Upon receipt of written notice from Arc and Samurai specifying the precise nature of any failure to accord credit as provided herein, Producer agrees to use commercially reasonable efforts to cure prospectively any such failure.

9. Publicity: Following theatrical release of the Film, Arc may make incidental, non-derogatory statements regarding Samurai’s Services and Producer hereby grants to Arc permission to use certain audio-visual elements or portions of the Film in streaming format only, not to exceed 30 seconds of running time (“**Snippets**”), solely for promotional purposes only in connection with (i) Arc’s in-house portfolio use; (ii) the solicitation of future work as part of Arc’s pitch portfolio; and, (iii) in presentation and demonstrative use for non-commercial purposes including streaming parts or all of the Snippets on Arc’s website (collectively, “**Arc’s Reel**”). Use of the Snippets in Arc’s Reel shall, at all times be inclusive of direct reference to BPL as copyright owner and Arc shall clearly mark BPL’s copyright ownership in all materials including without limitation, print, audio-visual, and digital materials. For the avoidance of doubt, no use of Snippets or Arc’s Reel shall be uploaded or made available on the internet, with the exception of Arc’s website. Each press release regarding the Services, if any, shall be subject to the approval of Producer.

10. Representations/Indemnity:

(a) Arc and Samurai represent, covenant and warrant to Producer as follows:

(i) Arc and Samurai are duly organized and existing corporations and are presently in good standing under the laws of the state / province / region of their formation, and this Agreement constitutes a valid and binding obligation of Arc and Samurai enforceable in accordance with the terms hereof.

(ii) Arc and Samurai have the right to enter into this Agreement and to grant sell, assign, transfer and convey to Producer and BPL all of the rights and privileges herein and therein granted and agreed to be granted to Producer and BPL, and there are not and will not be outstanding any claims liens, encumbrances, or rights of any nature in or to the Work, or any part thereof, or any of the literary or dramatic material contained therein or upon which the Work is or is to be based, which can or will impair or interfere with any of the rights, licenses or privileges herein to Producer and BPL; and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required that has not been obtained or made whether for the execution, delivery or performance hereof by Arc or Samurai or for the perfection of or the exercise by Producer of its rights and remedies hereunder.

(iii) Samurai and/or Arc own and control or will own and control any rights in and to the Work and all parts thereof and all literary or dramatic material contained therein and upon which the Work is or is to be based, which rights are required for the full and complete exercise and enjoyment of all rights, licenses and privileges granted and agreed to be granted to BPL under this Agreement, including the sole, exclusive and perpetual right to distribute, exhibit and otherwise exploit the Work, and all parts thereof, and all literary form whatsoever throughout the universe.

(iv) Neither the Work, nor any part thereof, nor any of the literary or dramatic material contained therein or upon which the Work is or is to be based, nor the exercise by any person or entity of any right, license or privilege granted or agreed to be granted to Producer and BPL under this Agreement, will violate or infringe upon the trademark, trade name, copyright, literary, dramatic, artistic, personal, private, civil, contract or property rights or rights of privacy, or any other right of any person or entity, provided, however, that this representation and warranty does not apply to any portion of the Work which were provided to Samurai by Producer.

(v) Arc and Samurai have not and will not sell, assign, transfer, license, sublicense or convey, or enter into any agreement in writing or otherwise, for the production, distribution, exhibition, exploitation, marketing, sale, or other disposition of the Work or any rights therein or any material contained therein or upon which it is based, except to BPL. Arc and Samurai have not, will not, assign, hypothecate, mortgage or pledge the Work or any rights therein, or proceeds thereof, for any purpose whatsoever without the prior written consent of Producer.

(vi) Arc or Samurai has entered into or will enter into valid and binding written employment or loan out agreements with all persons rendering services in connection with the Work; any and all services rendered by said persons will be furnished and rendered as employees-for-hire of Arc or Samurai, who, as said persons' employer, will have and fulfill all responsibilities of an employer, including, without limitation, those arising under any worker's compensation law, any other legal requirement or any applicable guild agreement; and the results and proceeds of all said persons' services will be "works-made-for-hire" or works made in the course of employment. Samurai agrees to make or cause to be made when due all payments of compensation which may be required to be remitted to persons or entities rendering services or furnishing equipment, facilities, rights or other material to Samurai in connection with the Work and to make such deductions and withholdings from and payments on account of such compensation (including, without limitation, all payments of taxes and other contributions which have arisen or may arise out of the services to be rendered or the equipment, facilities, rights or other material to be furnished by any said persons and entities in connection with the Work) as are required or permitted to be deducted and withheld from or paid on account of compensation paid to said persons and entities under the provisions of applicable laws or regulations or guild agreements.

(vii) Arc and Samurai will not violate any governmental rule, regulation, law, statute or ordinance or infringe upon the rights of any persons or entity in connection with the development, production and/or delivery of the Work.

(viii) Arc and Samurai will cooperate in good faith with Producer in connection with Producer's defense of all actions and proceedings affecting title to the Film and/or Work and the rights affected herein and will obtain and furnish to Producer, upon demand, such releases and subordinations of claims or liens which may be required to maintain the priority of BPL's rights hereunder.

(ix) Neither the Work nor any portion thereof is in the public domain anywhere in the world.

(b) Producer hereby represents and warrants to Arc and Samurai that Producer is a valid company organized in and in compliance with the laws of the state / province / region of its formation, has the full right, power, legal capacity, and authority to enter into and fully perform this Agreement and to grant the rights granted hereunder, and this Agreement constitutes a valid and binding obligation of Producer enforceable in accordance with the terms hereof.

(c) Arc and Samurai shall defend, indemnify and otherwise hold Producer, its affiliates (including but not limited to BPL, Mass Animation LLC and BS Prod Co Inc.), officers, directors,

employees, agents, successors, licensees and assigns harmless from and against any and all claims, demands, liability or expense (including reasonable outside attorneys' fees) arising out of or resulting from any breach of Arc's or Samurai's representations, warranties and agreements hereunder. Producer shall defend, indemnify and otherwise hold Arc and Samurai and each of their affiliates, officers, directors, employees, agents, successors, licensees and assigns harmless from and against any and all claims, demands, expenses, liabilities or expenses (including reasonable outside attorneys' fees) arising solely and directly out of the development, production and/or exploitation of the Film, except for such claims, demands, expenses, or liabilities arising out of or related to the breach by Arc or Samurai of any warranty, agreement or representation made by Arc or Samurai hereunder and/or the negligence and/or wrongful acts of Arc's or Samurai's employees, independent contractors and/or sub-contractors. The indemnified party shall provide detailed written notice (email is not acceptable) of the nature of the claim that has been asserted against the indemnified party. The indemnified party shall cooperate fully with the indemnifying party and will perform such acts and deeds consistent herewith as may be reasonably necessary and prudent and requested by the indemnifying party in the performance of the indemnifying party's obligations to defend and/or indemnify hereunder, provided, however, that such cooperation by the indemnified party shall be at the sole cost and expense of the indemnifying party. In the event of any claim or service of process upon a party involving the indemnification hereinbefore set forth, the party receiving such notice shall promptly notify the other of the claim. The indemnifying party shall promptly adjust, settle, defend or otherwise dispose of such claim at its sole cost. If it so elects, the indemnified party shall have the right at its sole cost to engage its own counsel in connection with such claim. In the event that the indemnified party determines that the indemnifying party is not diligently and continuously defending any such claim, the indemnified party shall have the right, on its own behalf and as attorney-in-fact for indemnifying party, to adjust, settle, defend or otherwise dispose of such claim. Any costs incurred by the indemnified party in connection therewith shall be promptly reimbursed by the indemnifying party, and if the indemnifying party fails to so reimburse the indemnified party, the indemnified party shall be entitled to deduct such amounts from any other sums payable to the indemnifying party under this Agreement or any other agreement between the parties. No action by the indemnified party in exercising its rights hereunder including without limitation adjusting, settling, defending and/or otherwise disposing of any such claim shall be deemed a waiver or release of any of its rights and remedies against the indemnifying party all of which rights and remedies are expressly reserved by the indemnified party.

11. Confidentiality: Arc and Samurai agree that they shall not at any time, either during or after the performance of the Services, use or disclose, or authorize anyone else to use or disclose, any Work and/or information concerning the Producer, the co-producers, the investors and the financiers, the lender, the Services and/or Film and/or any other information which comes into the possession of Arc or Samurai, except as may be necessary in the normal course of performing the Services, without the express written consent of Producer (email is not acceptable) which consent shall be given or withheld in Producer's sole discretion. Arc and Samurai shall undertake prudent precautions to ensure that the Work shall be protected from unauthorized taking or copying. Materials including, without limitation, all Elements Delivered to Samurai by Producer or created by Samurai hereunder shall only be used by Arc or Samurai for purposes allowed hereunder.

12. Insurance Coverage: At all times during the providing of the Services hereunder, Arc shall maintain general liability insurance and shall provide coverage thereunder for Producer, its distributors, designees, assignees, licensees and co-production and related and affiliated entities. Arc shall provide certificates to Producer evidencing such coverage. On or before January 1, 2016 and continuing for not less than three (3) years from the date of initial release of the Film in any media, BPL shall secure and maintain errors and omissions liability insurance with a limit of liability of not less than CAD\$1,000,000 for a single occurrence and not less than CAD\$3,000,000 in the aggregate for multiple claims arising from a single occurrence or such other limits of liability which Producer approves as appropriate for the Film based upon its budget and any other contributing factors determined by Producer. Arc and Samurai

shall be added as additional insured parties under such insurance policy. Producer shall deliver to Arc appropriate certificates evidencing such coverage together with a copy of the policy if so requested by Arc. The parties agree that all policies of insurance required hereunder shall include a provision requiring the insurance company to give the other party prompt notice, in writing by registered mail at least thirty (30) days in advance of any effective date on which such coverage is to be cancelled, modified, reduced or otherwise altered in any material way which may affect the other party's right to coverage hereunder. All insurance policies hereunder shall be primary and not subject to reduction by any insurance which the party, its distributors, designees, assignees, licensees and co-production related and affiliated entities may elect to take on its / their own behalf. The provisions of this paragraph shall not be construed so as to limit, diminish, abrogate or otherwise affect any obligation, representation, warranty or agreement of the party or any obligation on the party to indemnify the other party, its distributors, designees, assignees, licensees and co-production related and affiliated entities. If coverage is written on a claims-made basis, each policy shall include a retroactive date that is no later than the date that services are first performed by Arc hereunder. If any claim is made against a party with respect to the Film, and/or the Work or any rights pertaining thereto which would be covered by the other party's insurance, the party will promptly advise the other party in writing of the existence and details of such claim. The parties will cooperate with each other and the insurance carriers with respect to any such claim and abide by Producer's or Arc's instructions (as the case may be) with respect thereto. Neither party will, without the consent of the other party, do or fail to do any act or thing which would adversely affect the rights of the other party or any of the insurance carriers.

13. Force Majeure: If any party is unable to perform its obligations by reason of an event or occurrence beyond a party's reasonable control (including without limitation fire, flood, epidemic, earthquake, explosion, accident, Act of God, public enemy riot, civil disturbance or war) (each an event of "**Force Majeure**"), Producer shall be entitled to suspend performance of Samurai's obligations and its own obligations hereunder until the cause of inability is removed. If the suspension continues for fourteen (14) consecutive days or one (1) month or more (in the aggregate), then without prejudice to either party's rights and remedies hereunder in law or at equity, either party shall be entitled to terminate this Agreement and in such event, Producer shall have no further obligations to pay any monies (other than the Non-Refundable Advance Fee to the extent not yet paid to Samurai, plus the Compensation set forth in paragraph 3 due to Samurai pursuant to the Cash Flow Schedule but not yet paid by Producer, including costs incurred by Samurai or Arc but not yet invoiced and commitments made by Samurai or Arc to third parties in respect of the Film at the time of such termination), but BPL shall at all times retain all rights granted to it hereunder in respect of the Work and Film including all rights in all Work of any type or nature relating thereto whether or not such Work has been fully developed, produced and/or post produced as of the date of such termination.

14. Suspension/Termination:

(a) Producer shall have the right to suspend this Agreement and its obligations under this Agreement in whole or in part upon written notice to Arc and Samurai (email is unacceptable) whenever a Disability (as defined below), default or event of Force Majeure (in accordance with paragraph 13 above) is in effect. Such suspension shall continue for the duration of the Disability, default or event of Force Majeure plus such additional period as may reasonably be required by Producer in Producer's sole discretion to make preparation for resumption of the Services (as applicable) herein. If Producer suspends this Agreement in whole or in part, Arc and Samurai shall forthwith exercise all rights of suspension provided in favor of Arc or Samurai in all contracts with production personnel, unless otherwise directed by Producer in writing (email is unacceptable). Arc and Samurai agree that they shall include suspension clauses consistent with the terms of this suspension clause in all such contracts of its production personnel. For the purposes hereof, "**Disability**" shall mean if Samurai is unable to render fully any of the Services hereunder for a period of ten (10) consecutive business days due to any change which

materially detracts from Samurai's performance of the Services to the full extent required by Producer hereunder, or legal disability.

(b) Producer shall have the right to require Samurai and/or Arc to terminate the services of any person rendering Services with respect to the Film by virtue of an agreement with Samurai to provide such Services, and Producer shall have the right to terminate this Agreement ("**Termination Rights**"), upon giving notice to Samurai of its election to do so (email is unacceptable), if at any time during the production of or prior to the delivery of the Materials and the Film:

(i) Arc or Samurai (A) shall fail to materially perform or observe or shall be in material breach of any material term, covenant or agreement contained in this Agreement as reasonably determined by Producer, (B) is not in compliance with the Production Schedule, or (C) is not in compliance with the Budget (provided such non-compliances in (B) and (C) are not due to any delay or other conduct on the part of Producer), and any such failure or breach remains un-remedied for ten (10) business days, or five (5) business days if the exigencies of the production so requires, after written notice (email is not acceptable) thereof has been given by Producer to Arc and Samurai specifying the actions to be taken by Arc or Samurai to cure the breach which actions must be taken by Arc or Samurai prior to the close of business on the tenth or fifth (as the case may be) business day after written notice to Arc and Samurai;

(ii) an event of Force Majeure occurs and continues for a period of fourteen (14) consecutive days or longer or in the aggregate for one month or longer, as set out in paragraph 13 above;

(iii) Arc and/or Samurai admits in writing its inability to pay its debts generally as they become due, commits an act of bankruptcy or insolvency, or files any petition or action for relief under any bankruptcy, re-organization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors or to take any action in furtherance of the foregoing;

(iv) an involuntary petition is filed under any bankruptcy statute against Arc or a receiver or trustee is appointed to take possession of the property of Arc; or

(v) it becomes unlawful for Arc or Samurai to perform or carry out any of its obligations under this Agreement.

(c) In addition to the right to terminate the Agreement in the event of Force Majeure as set out in paragraph 13 above, Samurai shall have the right to suspend the Services, and Arc and Samurai shall have the right to terminate this Agreement ("**Arc Termination Rights**"), upon giving notice to Producer of their election to do so, if at any time during the production of or prior to the final delivery of the Elements, Producer shall fail to compensate Samurai in accordance with the terms of paragraph 3 of this Agreement, and any such failure or breach remains un-remedied for ten (10) business days, after written notice (email is not acceptable) thereof has been given by Arc and Samurai to Producer specifying the actions to be taken by Producer to cure the breach which actions must be taken by Producer prior to the close of business on the tenth business day after written notice to Producer.

(d) If this Agreement is terminated, the following shall apply:

(i) Samurai and Arc shall immediately deliver to Producer or its designee all Work and properties of any sort or nature (including but not limited to all animation files, animation models, animation rigs, contracts, records, books, preprints and any and all other production materials) in its possession or under its control relating to the Film;

(ii) to the extent not previously assigned to BPL, Arc and Samurai shall assign to BPL all contracts and any remaining right, title and interest, in and to the copyright to the Work; and

(iii) Arc and Samurai agree to execute and deliver to Producer any other documents consistent herewith that Producer considers necessary or desirable to evidence, effectuate or enforce this Agreement after having the opportunity to review for up to five (5) business days. In case of Arc's or Samurai's refusal or failure to so execute or deliver, or cause to be so executed and delivered, any document or instrument, then in such event, Arc and Samurai hereby irrevocably and unconditionally nominate, constitute and appoint Producer as Arc's and Samurai's true and lawful attorney-in-fact, and Producer shall therefore be deemed to be Arc's and Samurai's true and lawful attorney-in-fact solely to execute and deliver all of such documents, instruments and assignments in Arc's or Samurai's name and on Arc's or Samurai's behalf and such power is coupled with an interest with full power of substitution and delegation.

(e) Upon such termination, Producer shall have the right to do any of the following:

(i) assume complete supervision and control of the production of the Film;

(ii) exercise all rights of Arc and Samurai with respect to the Film under all contracts which were entered into by Arc or Samurai or any entity related to Arc;

(iii) upon providing prior written reasonable notice to Arc, enter upon Arc's premises where any Work may be (and Arc shall, upon receipt of that notice cause Producer to be accorded access to any other premises where Work may be) and take possession thereof, remove, keep, and store any Work or any portion thereof, or put a custodian in charge thereof, and take such other measures as Producer shall determine in connection therewith.

(f) In the event this Agreement has been terminated by Producer, Arc or Samurai for whatever reason in accordance with this paragraph 14 or paragraph 13, Samurai shall be entitled to retain in full the Non-Refundable Advance Fee paid to Samurai in accordance with paragraph 3 above. In the event of termination of this Agreement for breach or default by Arc or Samurai, Samurai shall not be entitled to any further Compensation beyond the Non-Refundable Advance Fee. In the event that Producer is required to engage a person or entity to complete the Services which were to have been completed by Samurai hereunder but which have not been completed by Samurai due to termination of this Agreement by Producer as a result of a breach of the Agreement by Arc or Samurai, Samurai and/or Arc shall not be entitled to any further Compensation beyond the Non-Refundable Advance Fee and Producer shall have the right to offset its costs and expenses in engaging the person or entity to complete the Services against any other amounts (excluding the Non-Refundable Advance Fee) that would otherwise be payable to Samurai hereunder. In the event of termination of this Agreement for breach or default herein by Producer or Force Majeure as set out in paragraph 13, Samurai shall be entitled to receive the Non-Refundable Advance Fee plus the Compensation set forth in paragraph 3 due to Samurai but not yet paid by Producer (including costs incurred by Samurai but not yet invoiced and commitments made by Arc or Samurai to third parties in respect of the Film at the time of such termination).

(g) Producer shall have the irrevocable right to take over the production of the Work, and/or assume complete and sole control over all matters regarding the Work or terminate this Agreement ("**Take-Over Rights**"), upon giving notice to Arc and Samurai of its election to do so (email is not acceptable), if at any time during the production or prior to the delivery of the Work to Producer or its designee any of the following has occurred:

(i) The production costs of the Work at any time exceed by ten percent (10%) or more of the amount of the budget for the Work, plus any approved overages with respect thereto ("**Samurai**

Provider Costs”), or the then estimated final production costs of the Work (as the case may be) exceed the applicable budget by ten percent (10%) or more, provided (A) such excess production costs are not due to any delay or other conduct on the part of Producer and (B) Samurai refuses to be solely responsible for such overages within ten (10) business days of receipt of a written demand (email is not acceptable) by Producer to confirm such responsibility to Producer and to pay the overage amount;

(ii) The rendering of the Services for the Materials is one (1) month or more behind the Production Schedule dates provided herein plus any approved extensions in such production schedule for each benchmark of production, provided (A) such delay is not due to any delay or other conduct on the part of Producer and (B) Samurai refuses to or is unable to correct such delay within ten (10) business days of receipt of written notice thereof (email is not acceptable) by Producer; or

(iii) Arc or Samurai has failed to materially perform any material obligation, covenant or condition of this Agreement, provided that in the event of such default, Producer shall not exercise its Take-Over Rights hereunder unless Arc or Samurai fails to cure such default within ten (10) business days of receiving written notice (email is not acceptable) of such default and Arc or Samurai fails to take the actions specified by Producer in the notice as the actions which Arc or Samurai must take to cure the breach, such actions must be taken by Arc or Samurai prior to the close of business on the tenth (10th) business day after written notice to Arc and Samurai.

(h) Arc and Samurai hereby agree to cooperate fully with Producer in connection with the exercise by Producer of its Take-Over Rights and to take such steps and execute, acknowledge and deliver such documents as Producer may reasonably require in connection therewith. In the event that Producer exercises its Take-Over Rights, Arc and Samurai shall immediately and irrevocably assign, transfer and convey to Producer any and all rights granted to Arc and Samurai by Producer under this Agreement.

(i) Nothing in this paragraph 14 shall be construed so as to limit or impair any other rights or remedies Producer may have under this Agreement, or at law and/or in equity by reason of any default by Arc or Samurai in the performance of its obligations under this Agreement nor shall the exercise by Producer of its Take-Over Rights constitute an election of remedies by Producer.

15. Remedies: In addition to the remedies set forth in paragraph 14 herein, the following shall apply:

(a) Arc and Samurai agree that in the event of a failure by Producer of its obligations hereunder, the damage, if any, caused to Arc and Samurai thereby, shall not be irreparable or otherwise sufficient to give rise to the right to seek or to obtain injunctive or other equitable relief on the part of Arc or Samurai, and Arc’s and Samurai’s rights in such event shall be limited to the right to seek damages only. In no event shall Arc or Samurai be entitled to rescind this Agreement or any of the rights granted hereunder or to enjoin or restrain the development, production, distribution or exploitation of the Work or the Film, or the exploitation of any right granted to BPL herein or otherwise controlled or owned by BPL.

(b) In the event Arc or Samurai is in breach of any provision of this Agreement, in addition to any and all other remedies, whether at law, in equity or otherwise hereunder, which might be available to Producer, Arc and Samurai acknowledge and agree that the Services and products being provided to Producer hereunder are of a unique nature such that the injury and damage resulting from any default or breach by Arc or Samurai shall not be adequately compensated by a remedy at law, therefore, Producer shall be entitled to seek and to obtain injunctive and other equitable relief.

(c) In the event the Services hereunder are terminated for any reason, Producer shall be entitled to complete the production of the Film without the inclusion of the Services and/or shall be

entitled to nominate another company to take over and complete the Services without the use of Arc's facilities.

16. Effect of Termination: The termination of this Agreement for any reason shall not affect BPL's ownership of the Work and/or any rights granted to Producer hereunder or otherwise controlled or owned by Producer or relieve either party of its obligations pursuant to that party's insurance obligations and their representations, warranties and indemnities hereunder.

17. Canadian Tax Credits and Rebates:

(a) The parties mutually acknowledge that Producer intends to produce the proposed Film so as to qualify for the federal Canadian Film or Video Production Services Tax Credit ("**Federal Credit**") pursuant to the *Income Tax Act* (Canada) and the guidelines of the Canadian Audio-Visual Certification Office ("**CAVCO**"). Additionally, the parties mutually acknowledge that Producer intends to produce the Film so as to qualify for the Ontario Production Services Tax Credit ("**OPSTC Tax Credit**") and the Ontario Computer Animation and Special Effects Tax Credit ("**OCASE Tax Credit**" together with OPSTC Tax Credit, the "**Ontario Credits**") contemplated in Section 43.10 and Section 43.8 respectively of the *Corporations Act* (Ontario), and all other applicable legislation, regulations, bulletins, guidelines and policies (draft or otherwise) issued in connection therewith (the Federal Credit and the Ontario Credits shall be collectively referred to herein as the "**Tax Credits**"). Arc and Samurai agree to cooperate with Producer to the extent necessary for the Film to qualify as set forth above. For the avoidance of doubt, Arc and Samurai acknowledge and agree that Producer alone shall be entitled to all Tax Credits available in respect of the Services and/or the Film. In that regard and with respect to the OCASE Tax Credit, Arc and Samurai agree that Samurai shall claim and collect said OCASE Tax Credit and shall hold same in trust and on behalf solely of Producer, as a fiduciary of Producer. Subject to the terms and conditions of this Agreement, Producer agrees to make one or more advances (the "**OCASE Advances**") to Samurai to be used by Samurai for the sole and exclusive purpose of paying for the Production Services in accordance with this Agreement. The parties hereto agree that Samurai shall repay to Producer by cheque or wire transfer (and for certainty, not by way of set-off), that portion of the Production Financing equal to the OCASE Tax Credit within ten (10) days of the receipt by Samurai of the OCASE Tax Credit.

(b) Samurai shall be responsible for the timely preparation and submission of all applications relating to the OCASE Tax Credit and Samurai shall cooperate with Producer to maximize the Tax Credits and assist with the collection thereof. The Budget includes a fee (the "**Administration Fee**") for Samurai's services in preparing and submitting the OCASE Tax Credit application and all necessary documentation and correspondence, which Producer has approved as a part of the Budget.

18. Assignment: Arc and Samurai shall not have the right to assign this Agreement in whole or in part or delegate their obligations in whole or in part without the prior written consent of Producer which may be withheld in Producer's sole discretion. Producer shall have the right to assign this Agreement in whole or in part and delegate its obligations in whole or in part at any time. This Agreement and the rights arising under this Agreement will enure to the benefit of and be binding on the parties and their respective permitted successors and permitted assigns.

19. Dispute Resolution: Any dispute arising under or related to the entering into, execution and/or performance of this Agreement shall be submitted to binding arbitration before a mutually agreeable arbitrator (selected by the parties; failing which, selected by a court of competent jurisdiction) who is knowledgeable in the field of animation of a feature films; such arbitration shall be conducted in Toronto, Ontario and shall be conducted in accordance with applicable arbitration laws of Ontario.

20. Governing Law: This Agreement shall be governed by and construed under the laws of the Province of Ontario and laws of Canada applicable therein.

21. Miscellaneous:

(a) Severability: If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, then the remaining provisions of this Agreement will remain in full force and effect.

(b) No Waiver: No failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

(c) Entire Agreement: This Agreement sets forth the entire understanding of the parties as to its subject matter hereof and supersedes all prior and contemporaneous discussions, negotiations, documents and agreements (whether oral or written) with respect to the subject matter hereof. This Agreement may not be modified except in a writing executed by both parties (email is not acceptable).

(d) Headings: The headings contained herein are for convenient reference only. They shall not be used in any way to govern, limit, modify or construe this Agreement and shall not be given any legal effect.

(e) Relationship: This Agreement does not constitute a joint venture or partnership of any kind between the parties hereto.

(f) Notices: All notices, requests, demands or other communications required or permitted to be given by one party to another under this Agreement (each, a “**Notice**”) shall be given in writing and delivered by personal delivery or delivery by recognized national courier or delivered by registered mail, postage prepaid, addressed to the respective parties’ addresses which are designated below or at such other address at which the addressee may from time to time notify the addressor. Email is only an acceptable form of Notice hereunder in those instances where email is specifically set forth herein as acceptable, and in such event, the email addresses below shall be the acceptable for Notice hereunder:

For BPL:

Blazing Productions Ltd.
10 Coda Centre
189 Munster Road
London SW6 6AW

with a copy to

Mass Animation
1524F Cloverfield Blvd.
Santa Monica, CA 90404
Attn: Susan R. Purcell, VP Business Affairs
susan@massanimation.com

For Producer:

Blazing Samurai Productions Inc.
497 King Street East, 3rd Floor
Toronto, Ontario M5A 1L9
Attn: Len Pendergast
len@globalincentivesinc.com

with a copy to

Mass Animation
1524F Cloverfield Blvd.
Santa Monica, CA 90404
Attn: Susan R. Purcell, VP Business Affairs
susan@massanimation.com

For Arc and Samurai:

364 Richmond Street West, Suite 100
Toronto, Ontario M5V 1X6
Attn: Peter Kozik, Executive Vice-President and CFO
Peter.Kozik@arcproductions.com

(g) Electronic Signatures; Counterparts: The parties agree that copies of this Agreement may be executed and transmitted by facsimile or electronically in either Tagged Image Format Files (“TIFF”) or Portable Document Format (“PDF”) and that such facsimile or electronic signatures shall be as binding and enforceable as an originally signed signature. The parties further agree that copies of this Agreement may be executed in counterpart with the understanding that copies of this Agreement to which are attached all such signature pages as signed by each party shall constitute enforceable copies of this Agreement.

(h) Survival: All representations, warranties and indemnities made herein by the parties, and all rights granted to the parties herein shall survive the execution, delivery, suspension, expiration and termination of this Agreement or any provision hereof.

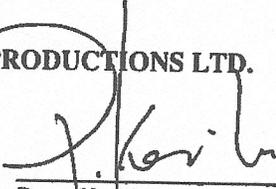
(i) Schedules: The following Schedules are attached to this Agreement, incorporated by reference and form an integral part hereof:

- Schedule A - Elements to be Delivered to Samurai
- Schedule B - Critical Assumptions
- Schedule C - Budget
- Schedule D - Production Schedule
- Schedule E - Cost Report
- Schedule F - Production Report
- Schedule G - Key Personnel
- Schedule H - Technical Delivery Specifications
- Schedule I - Elements For Delivery
- Schedule J - Cash Flow Schedule

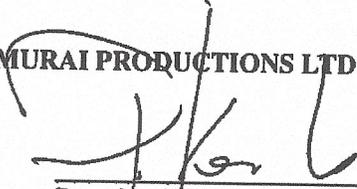
[signature page to follow]

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

ARC PRODUCTIONS LTD.

Per: 
Name: Peter Kozik
Title: Executive Vice President & CFO

SAMURAI PRODUCTIONS LTD.

Per: 
Name: Peter Kozik
Title: Chief Financial Officer

BLAZING PRODUCTIONS LTD.

Per: 
Name: Susan Purcell
Title: Director

BLAZING SAMURAI PRODUCTIONS INC.

Per: 
Name: Susan Purcell
Title: Director

6421818

SCHEDULE "A"
Elements to be Delivered to Samurai

SCHEDULE "B"
Critical Assumptions

SCHEDULE "C"
Budget

SCHEDULE "D"
Production Schedule

SCHEDULE "E"
Cost Report

SCHEDULE "F"
Production Report

SCHEDULE "G"
Key Personnel

SCHEDULE "H"
Technical Delivery Specifications

SCHEDULE "I"
Elements for Delivery

SCHEDULE "J"
Cash Flow Schedule

**THIS IS EXHIBIT "B" TO THE AFFIDAVIT OF
BRITTANY OATES
SWORN BEFORE ME THIS 19TH DAY OF JUNE, 2020**

A handwritten signature in black ink, appearing to read "Benjamin Cowley", is written above a horizontal line.

A COMMISSIONER ETC.

Benjamin Cowley

NOTICE OF ASSIGNMENT & DIRECTION TO PAY

As of July 13, 2016

From: Arc Productions Ltd. and Samurai Productions Ltd., a wholly owned subsidiary of Arc Productions Ltd. (collectively "Arc")

To: Blazing Productions Ltd. ("BPL") and Blazing Samurai Productions Inc., a wholly owned subsidiary of BPL (collectively, the "Producer")

Re: Amended and Restated Production Services Agreement dated as of April __, 2016, among Arc and the Producer (the "Agreement")

Dear Sirs:

Arc hereby gives Producer notice that it has assigned to Grosvenor Park Media Fund LP (the "Lender") all its right, title, benefit and interest in and to the sums identified below payable pursuant to the Agreement.

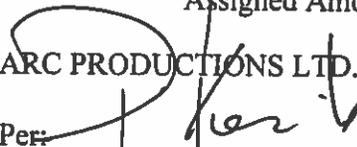
You are hereby irrevocably and unconditionally instructed to:

- (a) pay to the Lender via certified cheque delivered to 1310 Montana Avenue, 2nd Floor, Santa Monica, California, USA 90403, Attention: Donald Starr or wire transfer to such bank account as the Lender may instruct Studio in writing, the following amounts payable by you under the Agreement (the "Assigned Amounts"):

| Amount | Date |
|----------------|---------------|
| CDN\$1,050,000 | July 20, 2016 |

- (b) The undersigned irrevocably and unconditionally authorizes and instructs you to comply with the directions from time to time of the Lender in relation to the Assigned Amounts.

ARC PRODUCTIONS LTD.

Per: 

Authorized Signing Officer

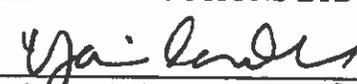
SAMURAI PRODUCTIONS LTD.

Per: 

Authorized Signing Officer

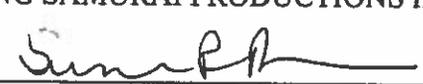
ACKNOWLEDGED AND ACCEPTED this ___ day of July, 2016.

BLAZING PRODUCTIONS LTD.

Per: 

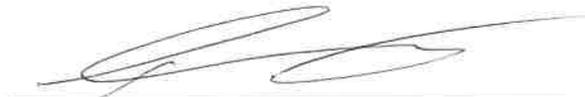
Authorized Signing Officer, Director

BLAZING SAMURAI PRODUCTIONS INC.

Per: 

Authorized Signing Officer

**THIS IS EXHIBIT "C" TO THE AFFIDAVIT OF
BRITTANY OATES
SWORN BEFORE ME THIS 19TH DAY OF JUNE, 2020**

A handwritten signature in black ink, appearing to read 'Benjamin Cowley', written over a horizontal line.

A COMMISSIONER ETC.

Benjamin Cowley

AMENDED AND RESTATED PRODUCTION SERVICES AGREEMENT

“Blazing Samurai”

This production services agreement (“**Agreement**”) is made as of April _____, 2016 with effect as of September 21, 2015 (“**Effective Date**”) between **ARC PRODUCTIONS LTD.**, a corporation continued under the laws of the Province of Ontario with an office located at 230 Richmond Street East, Toronto, Ontario, Canada M5A 1P4 (“**Arc**”), **SAMURAI PRODUCTIONS LTD.**, a wholly-owned subsidiary of Arc incorporated under the laws of the Province of Ontario with an office located at 364 Richmond Street West, Suite 100, Toronto, Ontario, Canada M5V 1X6 (“**Samurai**”) and **BLAZING SAMURAI PRODUCTIONS INC.**, a wholly-owned subsidiary of Global Film Production Services Inc. incorporated under the laws of the Province of Ontario with an office located at 497 King Street East, 3rd Floor, Toronto Ontario, Canada, M5A 1L9 (“**Producer**”). For good and valuable consideration, the parties agree as follows:

1. Production Services:

(a) Pursuant to the terms and conditions of this Agreement, Producer hereby engages Samurai on an independent contractor basis, to provide animation production Services (as defined below) for the animated feature film known as “Blazing Samurai” (the “**Film**”), with the results and proceeds of such Services referred to as “**Materials**”, in accordance with the terms and conditions of this Agreement. As between Arc and Samurai on the one hand, and Producer on the other, Producer shall have all creative approvals and controls in connection with the Services.

(b) Samurai hereby agrees to supply all necessary facilities, personnel, development and production services, materials, expertise and animation services for the Film subject to and in accordance with all terms, conditions, and specifications set forth herein (hereinafter collectively “**Services**”). Samurai shall devote its best efforts, talents and abilities in connection with the performance of the Services and shall render the Services in a first class, competent, professional manner.

(c) In accordance with the Production Schedule (as defined below) and the needs of the production, Producer shall deliver to Samurai the elements listed in Schedule “A” (“**Elements to be Delivered to Samurai**”), which schedule and elements may be adjusted by the mutual consent of the parties. The Services shall be rendered pursuant to Producer’s directions and in accordance with the critical assumptions of the Film attached hereto as Schedule “B” (“**Critical Assumptions**”), as such may be amended from time to time in Producer’s sole discretion upon reasonable notice to Samurai, with the understanding that material changes outside the scope of the Critical Assumptions may be in excess of the budget for the Film attached hereto as Schedule “C” (“**Budget**”) and may constitute a Change Order Service (as defined below) in accordance with and subject to the terms and conditions of subparagraph (g) below.

(d) The parties acknowledge that the Budget is adequate to complete the production of the Film in accordance with the Critical Assumptions and the production schedule attached hereto as Schedule “D” (“**Production Schedule**”). Except for any increased costs in the Budget directly relating to Producer’s failure to adhere to the material aspects of the Critical Assumptions or resulting from Producer Delays as set out in paragraph 5, Samurai shall be responsible for any expenditure in excess of the Budget, required to complete and deliver the Elements in accordance with this Agreement, unless pre-approved in writing by Producer. All Elements (as defined below) shall be submitted to Producer in accordance with the Production Schedule and the Critical Assumptions and Producer shall have the opportunity to review and approve all such Elements and request reasonable changes, which changes Samurai undertakes to complete in a reasonable and timely fashion in accordance with paragraph 6

herein. If Producer requests that Samurai deliver Elements that do not materially adhere to the Critical Assumptions, Samurai shall notify Producer in writing in the event that any such request constitutes a Change Order Service (as defined below) in accordance with and subject to the terms and conditions of subparagraph (g) below.

(e) As part of the Services, Samurai shall supply Producer with the following production reports: (i) a biweekly itemized cost report, showing overages/underages with an explanation, a sample of which is attached hereto as Schedule "E" ("**Cost Report**") and (ii) weekly production updates including accurate updates of the progress of each stage in production, in the form of a production report, a sample of which is attached hereto as Schedule "F" ("**Production Report**") The parties agree that the Cost Report shall track back to the Budget and the Production Schedule.

(f) Producer shall have the right to approve and disapprove Samurai's key personnel for the Film (collectively, "**Key Personnel**"). Producer hereby approves the Key Personnel listed on Schedule "G" ("**Key Personnel Schedule**") attached hereto. If any member of the Key Personnel ceases such continuing and primary responsibility on the Film, for whatever reason, the Producer shall have the right to review and approve or disapprove the replacement of such Key Personnel. Services shall include the exclusive services of Rob Silvestri ("**Silvestri**") as the creative lead for Samurai thru February 26, 2016 (the parties agree to negotiate Silvestri's further exclusivity under this Agreement on or before this date) and the services of Kallan Kagan in the capacity of production executive for Samurai.

(g) **Additions/Changes:** If Producer (i) requests additional Services other than those defined herein, or not agreed to by the parties in writing, (ii) requests changes, modifications or alterations so as to unreasonably expand the scope of the Services, and/or (iii) fails to provide timely approvals pursuant to paragraph 5 below, (each of the foregoing is referred to herein as a "**Change Order Service**") then, prior to the commencement of such Change Order Service and provided such Change Order Service can be reasonably completed by Samurai, Samurai shall submit an estimate of the costs and timeline for completing such Change Order Service ("**Change Order Bid**") and Producer shall approve or reject the Change Order Bid in a timely manner, consistent with the Critical Assumptions of the Film, but in any event within five (5) business day or same shall be deemed rejected.

(h) Samurai shall deliver to Producer the Materials as specified in the Critical Assumptions, which shall conform to the technical delivery specifications attached hereto as Schedule "H" ("**Technical Delivery Specifications**"). In no event shall delivery of the Elements (as defined below) be later than May 12, 2017, unless an alternative date is mutually agreed to by the parties in writing in advance (email is acceptable) ("**Delivery Date**").

2. **Term:** Samurai's Services shall commence upon execution of this Agreement, and shall continue until completion of all Services and delivery to and acceptance by Producer of the final elements of the Film set forth in Schedule "I" ("**Elements**") attached hereto, such acceptance not to be unreasonably withheld.

3. **Compensation:** All amounts referred to in this Agreement are intended to be in lawful currency of Canada. Subject to paragraphs 13, 14 and 15 herein and in consideration for the Services to be provided by Samurai in accordance with this Agreement as well as the representations, warranties and indemnities provided by Samurai hereunder, Producer shall pay Samurai in full and complete consideration of the Services, an aggregate amount equal to CAD\$20,395,366 net of the Samurai Investment (as set out in paragraph 4 below) (the "**Compensation**"). The Compensation shall be payable in accordance with the cash flow schedule attached hereto as Schedule "J" ("**Cash Flow Schedule**") within five (5) business days of Producer's receipt of an invoice from Samurai. Notwithstanding the foregoing, the parties acknowledge and agree that the advance fee of CAD\$1,100,000 ("**Advance Fee**") shall be payable upon execution of this Agreement by Producer and CAD\$500,000 of such Advance Fee

shall be non-refundable (the "Non-Refundable Advance Fee"). Subject to paragraphs 13, 14 and 15 herein, the parties acknowledge and agree that if Producer fails to pay the Compensation in accordance with this paragraph 3, the Services shall be suspended until all payments are brought current and paid by Producer to Samurai as agreed upon herein.

4. **Equity Investment:** Samurai shall contribute CAD\$1,073,440 (the "Samurai Investment"), which shall form an equity investment in the Film. The Samurai Investment shall be repaid *pari passu* alongside other equity investors in the Film to be negotiated in good faith between the parties and set forth in a recoupment schedule for proceeds from the Film.

5. **Deliveries:**

(a) Timely completion and delivery of the Elements in accordance with the quality requirements outlined herein, the Production Schedule and the Technical Delivery Specifications is of the essence of this Agreement.

(b) Samurai acknowledges that Producer will incur additional costs and damages if deliveries from Samurai are not received by Producer on the dates set out in the Production Schedule. Without limiting any other rights of Producer, if Samurai fails to make any material delivery of any Element on the date set forth in the Production Schedule for any reason other than Force Majeure (as defined below) or delays caused by Producer's late delivery of Elements to be Delivered to Samurai, delays in the Producer's approval as set forth in paragraph 6, or Producer extensions to the Production Schedule not agreed to by Samurai (collectively, "Producer Delays"), the actually incurred production costs of such delays shall be borne by Samurai, and Samurai shall be responsible for any resulting delay or costs, damages or losses.

(c) In the event of any Producer Delays, Producer shall be responsible for any production costs of such delays or costs, damages or losses.

(d) Samurai shall carefully vault and backup all necessary production materials and assets forming the Elements for delivery to Producer and shall provide Producer with a backup, at the end of the production of the Elements (individual final elements such as character rigs, models, etc. to be delivered as set forth in Schedule I).

6. **Approvals:**

(a) Producer shall have full creative control and final right of approval over all Services and all Materials, including without limitation the Elements, to be delivered by Samurai hereunder. Producer shall use its best efforts to either approve or disapprove, with instructions on required changes in writing, each Element within four (4) business days after Producer's receipt of such submitted Element ("Approval Period"), by signing off or requesting changes by email. Each Element submitted to Producer for approval shall not be deemed approved until it is specifically approved by Producer.

(b) If Producer disapproves of a submission, Producer shall give Samurai specific reasons therefore in accordance with the Critical Assumptions of the Film, and Samurai shall conform such submission to Producer's requirements and shall resubmit same to Producer until such time as Producer approves such Element, provided that Producer's Approval Period shall be reduced to forty-eight (48) hours for all such re-submissions. All of Producer's approvals and/or disapprovals herein shall be exercised reasonably and consistent with the quality levels required on the Film and as set forth in the Critical Assumptions.

(c) Producer shall grant approval or provide notes in a timely manner; provided that if any

approval or requests for changes are not timely given as set forth above, Samurai may, at its election: (i) postpone its delivery obligations by any period of delay caused by Producer's failure to make approvals or provide notes as set forth above; and/or (ii) submit a Change Order Bid pursuant to paragraph 1(g) above. Any delay or postponement due to Producer's failure to provide approvals and/or notes pursuant to this paragraph 6 and paragraph 1(g) above and consistent with the Production Schedule and Critical Assumptions, shall constitute a Producer Delay and be at Producer's sole cost and expense, including, but not limited to, the cost and expense of maintaining the Film's crew throughout the entirety of any such delay or postponement. Producer's designee for such approvals shall be Susan Purcell or her designee.

7. Grant of Rights:

(a) Arc and Samurai acknowledge and agree that Blazing Productions Ltd. shall irrevocably, solely and exclusively own throughout the world in perpetuity all rights of every kind and nature whatsoever, including, without limitation, the copyright and all rights of copyright, in and to the Materials and Elements, including the right to use such Materials and Elements in any motion pictures (and ancillary and derivative works thereof) in any and all means, uses and media, now known or hereafter known, devised, developed, invented or discovered in perpetuity throughout the universe in all languages. Arc and Samurai further agree that any and all materials created by Samurai in connection with the Services and including without limitation, the Materials and Elements (collectively, the "Work"), constitute "works made for hire" exclusively commissioned by Blazing Productions Ltd. within the meaning of the *United States Copyright Act of 1976*, 17 U.S.C. § 101 *et seq.*, and to be a "work made in the course of employment" in accordance with the *Copyright Act (Canada)* and Blazing Productions Ltd. shall be deemed to be and is the original and sole author of such Work. In the event that a determination is ever made that any such Work does not constitute a "work made for hire", then such Work and all rights therein, including, without limitation, all copyrights throughout the world and renewals and extensions thereof, are hereby deemed to be and are assigned and transferred to Blazing Productions Ltd. in perpetuity without reservation, condition or limitation in any and all media, whether now known or hereafter invented. Samurai specifically waives any and all "artist's rights," rights of "droit morale" or any similar rights Samurai may have pursuant to any applicable laws, in all languages, in or to the Services, the Film, the Work, the Elements and the Materials. Blazing Productions Ltd. shall have the right, in its sole discretion, to modify, adapt or otherwise alter any of the Work in its sole discretion. Blazing Productions Ltd. shall have the irrevocable, sole, exclusive and unlimited right, but no obligation, to produce, publish, distribute, transmit, exhibit, exploit, license, broadcast and re-broadcast the Film and the Work in whole or in part or any element thereof in any format by any and all means, uses and media, now or hereafter known, devised, developed, invented or discovered in perpetuity throughout the universe in all languages. Notwithstanding anything to the contrary contained herein, Arc shall retain ownership and possession of any proprietary research and development, mechanical devices, processes or applications, software and plug-ins solely owned and/or developed by Samurai prior to and/or while creating the Materials and/or the Elements (the "Technology"). Arc hereby grants to Blazing Productions Ltd. and Blazing Productions Ltd.'s distributor(s), an unconditional, perpetual, royalty-free, "gratis", irrevocable license, throughout the universe to utilize the Technology and the right to license to Blazing Productions Ltd.'s and each such distributor's sublicensees and sub-distributors the Technology solely in connection with the development, production and exploitation of the Film and/or the Work and any and all ancillary productions including without limitation trailers, DVD bonus material, proof of concept, but excluding any subsequent production(s) such as sequels, prequels and/or series.

(b) The rights granted hereunder include, without limitation, all rights, to add to, take from, translate, or otherwise modify the Elements and the Materials, including the title(s) thereof, in any manner that Blazing Productions Ltd. may in its discretion determine.

(c) All rights granted and agreed to be granted to Blazing Productions Ltd. hereunder shall be irrevocably vested in Blazing Productions Ltd. and shall not be subject to rescission by Arc or Samurai

for any cause whatsoever. Non-payment, termination, suspension or expiration of this Agreement for any reason shall not, in any event, affect Blazing Productions Ltd.'s ownership of materials furnished by it under this Agreement.

(d) Arc and Samurai agree to assist Blazing Productions Ltd., or its designee, at Blazing Productions Ltd.'s expense, in every commercially reasonable way to secure Blazing Productions Ltd.'s rights in and to the Work and any copyrights, patents, or other intellectual property rights relating thereto in any and all countries, including the disclosure to Blazing Productions Ltd. of all pertinent information and data within Arc's and Samurai's reasonable knowledge and possession with respect thereto, the execution when it is within Arc's or Samurai's power to do so of all applications, specifications, oaths, assignments and all other instruments which Blazing Productions Ltd. shall deem necessary in order to apply for and obtain such rights and in order to assign and convey to Blazing Productions Ltd., its successors, assigns and nominees the sole and exclusive rights, title and interest in and to such Work and any copyrights, patents, or other intellectual property rights relating thereto. Arc and Samurai further agree that their obligations to execute or cause to be executed, when it is in their power to do so, any such instrument or papers shall continue after the termination of this Agreement.

(e) Arc and Samurai agree that if Blazing Productions Ltd. is unable because of Arc's or Samurai's unavailability, dissolution, mental or physical incapacity, or for any other reason, to secure Arc's or Samurai's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering the Work assigned to Blazing Productions Ltd. herein, then Arc and Samurai hereby irrevocably designate and appoint Blazing Productions Ltd. and its duly authorized officers and agents as Arc's and Samurai's agent and attorney in fact, to act for and in Arc's and Samurai's behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents and copyright registrations thereon with the same legal force and effect as if executed by Arc or Samurai.

(f) If any contribution to the Materials and/or the Elements is created by any third party engaged by Samurai, Samurai shall ensure that it acquires from such third party (and hereby assigns same to Blazing Productions Ltd.) all rights of every kind and nature in such contribution, and shall submit the form of agreement to be entered into with such third party to Producer for its prior approval for use in connection with the Film and all allied and ancillary rights therein and thereto.

(g) Each of Arc and Samurai grant to Producer, on behalf of itself and any employee or third party engaged by Samurai, an unrestricted license to use Arc's and Samurai's name and approved biography, and the name, likeness and approved biography of any employee or third party engaged by Samurai, without additional compensation, in any and all media, including without limitation film, audio and videotape and still photography for purposes of advertising, promoting and publicizing the Film.

8. Credits:

(a) Provided that the Services are satisfactorily performed and completed in accordance with this Agreement, Producer uses all or part of the Work in an audiovisual work including, but not limited to, the Film and subject to the approval of distributors and financiers, Arc and Samurai shall receive the following screen credits: (i) two (2) Executive Producer credits, (ii) a production credit in the end titles substantially as: "Animation Produced at: Arc Productions Ltd., Toronto and (iii) applicable credits to production personnel rendering Services on the Film as the parties mutually agree upon.

(b) Except as specified above, all aspects of such credits will be within Producer's sole discretion, including without limitation, color, size, placement, duration, style and prominence. No casual or inadvertent failure by Producer and no failure by any third party to provide such credits shall be considered a breach of this Agreement. Upon receipt of written notice from Arc and Samurai specifying

the precise nature of any failure to accord credit as provided herein, Producer agrees to use commercially reasonable efforts to cure prospectively any such failure.

9. Publicity: Following theatrical release of the Film, Arc may make incidental, non-derogatory statements regarding Samurai's Services and Producer hereby grants to Arc permission to use certain audio-visual elements or portions of the Film in streaming format only, not to exceed 30 seconds of running time ("Snippets"), solely for promotional purposes only in connection with (i) Arc's in-house portfolio use; (ii) the solicitation of future work as part of Arc's pitch portfolio; and, (iii) in presentation and demonstrative use for non-commercial purposes including streaming parts or all of the Snippets on Arc's website (collectively, "Arc's Reel"). Use of the Snippets in Arc's Reel shall, at all times be inclusive of direct reference to Blazing Productions Ltd. as copyright owner and Arc shall clearly mark Blazing Productions Ltd.'s copyright ownership in all materials including without limitation, print, audio-visual, and digital materials. For the avoidance of doubt, no use of Snippets or Arc's Reel shall be uploaded or made available on the internet, with the exception of Arc's website. Each press release regarding the Services, if any, shall be subject to the approval of Producer.

10. Representations/Indemnity:

(a) Arc and Samurai represent, covenant and warrant to Producer as follows:

(i) Arc and Samurai are duly organized and existing corporations and are presently in good standing under the laws of the state / province / region of their formation, and this Agreement constitutes a valid and binding obligation of Arc and Samurai enforceable in accordance with the terms hereof.

(ii) Arc and Samurai have the right to enter into this Agreement and to grant sell, assign, transfer and convey to Producer and Blazing Productions Ltd. all of the rights and privileges herein and therein granted and agreed to be granted to Producer and Blazing Productions Ltd., and there are not and will not be outstanding any claims liens, encumbrances, or rights of any nature in or to the Work, or any part thereof, or any of the literary or dramatic material contained therein or upon which the Work is or is to be based, which can or will impair or interfere with any of the rights, licenses or privileges herein to Producer and Blazing Productions Ltd.; and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required that has not been obtained or made whether for the execution, delivery or performance hereof by Arc or Samurai or for the perfection of or the exercise by Producer of its rights and remedies hereunder.

(iii) Samurai owns and controls or will own and control any rights in and to the Work and all parts thereof and all literary or dramatic material contained therein and upon which the Work is or is to be based, which rights are required for the full and complete exercise and enjoyment of all rights, licenses and privileges granted and agreed to be granted to Blazing Productions Ltd. under this Agreement, including the sole, exclusive and perpetual right to distribute, exhibit and otherwise exploit the Work, and all parts thereof, and all literary form whatsoever throughout the universe.

(iv) Neither the Work, nor any part thereof, nor any of the literary or dramatic material contained therein or upon which the Work is or is to be based, nor the exercise by any person or entity of any right, license or privilege granted or agreed to be granted to Producer and Blazing Productions Ltd. under this Agreement, will violate or infringe upon the trademark, trade name, copyright, literary, dramatic, artistic, personal, private, civil, contract or property rights or rights of privacy, or any other right of any person or entity, provided, however, that this representation and warranty does not apply to any portion of the Work which were provided to Samurai by Producer.

(v) Arc and Samurai have not and will not sell, assign, transfer, license, sublicense or convey, or enter into any agreement in writing or otherwise, for the production, distribution, exhibition, exploitation, marketing, sale, or other disposition of the Work or any rights therein or any material contained therein or upon which it is based, except to Blazing Productions Ltd.. Arc and Samurai have not, will not, assign, hypothecate, mortgage or pledge the Work or any rights therein, or proceeds thereof, for any purpose whatsoever without the prior written consent of Producer.

(vi) Arc or Samurai has entered into or will enter into valid and binding written employment or loan out agreements with all persons rendering services in connection with the Work; any and all services rendered by said persons will be furnished and rendered as employees-for-hire of Arc or Samurai, who, as said persons' employer, will have and fulfill all responsibilities of an employer, including, without limitation, those arising under any worker's compensation law, any other legal requirement or any applicable guild agreement; and the results and proceeds of all said persons' services will be "works-made-for-hire" or works made in the course of employment. Samurai agrees to make or cause to be made when due all payments of compensation which may be required to be remitted to persons or entities rendering services or furnishing equipment, facilities, rights or other material to Samurai in connection with the Work and to make such deductions and withholdings from and payments on account of such compensation (including, without limitation, all payments of taxes and other contributions which have arisen or may arise out of the services to be rendered or the equipment, facilities, rights or other material to be furnished by any said persons and entities in connection with the Work) as are required or permitted to be deducted and withheld from or paid on account of compensation paid to said persons and entities under the provisions of applicable laws or regulations or guild agreements.

(vii) Arc and Samurai will not violate any governmental rule, regulation, law, statute or ordinance or infringe upon the rights of any persons or entity in connection with the development, production and/or delivery of the Work.

(viii) Arc and Samurai will cooperate in good faith with Producer in connection with Producer's defense of all actions and proceedings affecting title to the Film and/or Work and the rights affected herein and will obtain and furnish to Producer, upon demand, such releases and subordinations of claims or liens which may be required to maintain the priority of Blazing Productions Ltd.'s rights hereunder.

(ix) Neither the Work nor any portion thereof is in the public domain anywhere in the world.

(b) Producer hereby represents and warrants to Arc and Samurai that Producer is a valid company organized in and in compliance with the laws of the state / province / region of its formation, has the full right, power, legal capacity, and authority to enter into and fully perform this Agreement and to grant the rights granted hereunder, and this Agreement constitutes a valid and binding obligation of Producer enforceable in accordance with the terms hereof.

(c) Arc and Samurai shall defend, indemnify and otherwise hold Producer, its affiliates, officers, directors, employees, agents, successors, licensees and assigns harmless from and against any and all claims, demands, liability or expense (including reasonable outside attorneys' fees) arising out of or resulting from any breach of Arc's or Samurai's representations, warranties and agreements hereunder. Producer shall defend, indemnify and otherwise hold Arc and Samurai and each of their affiliates, officers, directors, employees, agents, successors, licensees and assigns harmless from and against any and all claims, demands, expenses, liabilities or expenses (including reasonable outside attorneys' fees) arising solely and directly out of the development, production and/or exploitation of the Film, except for such claims, demands, expenses, or liabilities arising out of or related to the breach by Arc or Samurai of

any warranty, agreement or representation made by Arc or Samurai hereunder and/or the negligence and/or wrongful acts of Arc's or Samurai's employees, independent contractors and/or sub-contractors. The indemnified party shall provide detailed written notice (email is not acceptable) of the nature of the claim that has been asserted against the indemnified party. The indemnified party shall cooperate fully with the indemnifying party and will perform such acts and deeds consistent herewith as may be reasonably necessary and prudent and requested by the indemnifying party in the performance of the indemnifying party's obligations to defend and/or indemnify hereunder, provided, however, that such cooperation by the indemnified party shall be at the sole cost and expense of the indemnifying party. In the event of any claim or service of process upon a party involving the indemnification hereinbefore set forth, the party receiving such notice shall promptly notify the other of the claim. The indemnifying party shall promptly adjust, settle, defend or otherwise dispose of such claim at its sole cost. If it so elects, the indemnified party shall have the right at its sole cost to engage its own counsel in connection with such claim. In the event that the indemnified party determines that the indemnifying party is not diligently and continuously defending any such claim, the indemnified party shall have the right, on its own behalf and as attorney-in-fact for indemnifying party, to adjust, settle, defend or otherwise dispose of such claim. Any costs incurred by the indemnified party in connection therewith shall be promptly reimbursed by the indemnifying party, and if the indemnifying party fails to so reimburse the indemnified party, the indemnified party shall be entitled to deduct such amounts from any other sums payable to the indemnifying party under this Agreement or any other agreement between the parties. No action by the indemnified party in exercising its rights hereunder including without limitation adjusting, settling, defending and/or otherwise disposing of any such claim shall be deemed a waiver or release of any of its rights and remedies against the indemnifying party all of which rights and remedies are expressly reserved by the indemnified party.

11. Confidentiality: Arc and Samurai agree that they shall not at any time, either during or after the performance of the Services, use or disclose, or authorize anyone else to use or disclose, any Work and/or information concerning the Producer, the co-producers, the investors and the financiers, the lender, the Services and/or Film and/or any other information which comes into the possession of Arc or Samurai, except as may be necessary in the normal course of performing the Services, without the express written consent of Producer (email is not acceptable) which consent shall be given or withheld in Producer's sole discretion. Arc and Samurai shall undertake prudent precautions to ensure that the Work shall be protected from unauthorized taking or copying. Materials including, without limitation, all Elements Delivered to Samurai by Producer or created by Samurai hereunder shall only be used by Arc or Samurai for purposes allowed hereunder.

12. Insurance Coverage: At all times during the providing of the Services hereunder, Arc shall maintain general liability insurance and shall provide coverage thereunder for Producer, its distributors, designees, assignees, licensees and co-production and related and affiliated entities. Arc shall provide certificates to Producer evidencing such coverage. On or before January 1, 2016 and continuing for not less than three (3) years from the date of initial release of the Film in any media, Producer shall secure and maintain errors and omissions liability insurance with a limit of liability of not less than CAD\$1,000,000 for a single occurrence and not less than CAD\$3,000,000 in the aggregate for multiple claims arising from a single occurrence or such other limits of liability which Producer approves as appropriate for the Film based upon its budget and any other contributing factors determined by Producer. Arc and Samurai shall be added as additional insured parties under such insurance policy. Producer shall deliver to Arc appropriate certificates evidencing such coverage together with a copy of the policy if so requested by Arc. The parties agree that all policies of insurance required hereunder shall include a provision requiring the insurance company to give the other party prompt notice, in writing by registered mail at least thirty (30) days in advance of any effective date on which such coverage is to be cancelled, modified, reduced or otherwise altered in any material way which may affect the other party's right to coverage hereunder. All insurance policies hereunder shall be primary and not subject to reduction by any insurance which the party, its distributors, designees, assignees, licensees and co-production related and affiliated entities may

elect to take on its / their own behalf. The provisions of this paragraph shall not be construed so as to limit, diminish, abrogate or otherwise affect any obligation, representation, warranty or agreement of the party or any obligation on the party to indemnify the other party, its distributors, designees, assignees, licensees and co-production related and affiliated entities. If coverage is written on a claims-made basis, each policy shall include a retroactive date that is no later than the date that services are first performed by Arc hereunder. If any claim is made against a party with respect to the Film, and/or the Work or any rights pertaining thereto which would be covered by the other party's insurance, the party will promptly advise the other party in writing of the existence and details of such claim. The parties will cooperate with each other and the insurance carriers with respect to any such claim and abide by Producer's or Arc's instructions (as the case may be) with respect thereto. Neither party will, without the consent of the other party, do or fail to do any act or thing which would adversely affect the rights of the other party or any of the insurance carriers.

13. Force Majeure: If any party is unable to perform its obligations by reason of an event or occurrence beyond a party's reasonable control (including without limitation fire, flood, epidemic, earthquake, explosion, accident, Act of God, public enemy riot, civil disturbance or war) (each an event of "Force Majeure"), Producer shall be entitled to suspend performance of Samurai's obligations and its own obligations hereunder until the cause of inability is removed. If the suspension continues for fourteen (14) consecutive days or one (1) month or more (in the aggregate), then without prejudice to either party's rights and remedies hereunder in law or at equity, either party shall be entitled to terminate this Agreement and in such event, Producer shall have no further obligations to pay any monies (other than the Non-Refundable Advance Fee to the extent not yet paid to Samurai, plus the Compensation set forth in paragraph 3 due to Samurai pursuant to the Cash Flow Schedule but not yet paid by Producer, including costs incurred by Samurai or Arc but not yet invoiced and commitments made by Samurai or Arc to third parties in respect of the Film at the time of such termination), but Blazing Productions Ltd. shall at all times retain all rights granted to it hereunder in respect of the Work and Film including all rights in all Work of any type or nature relating thereto whether or not such Work has been fully developed, produced and/or post produced as of the date of such termination.

14. Suspension/Termination:

(a) Producer shall have the right to suspend this Agreement and its obligations under this Agreement in whole or in part upon written notice to Arc and Samurai (email is unacceptable) whenever a Disability (as defined below), default or event of Force Majeure (in accordance with paragraph 13 above) is in effect. Such suspension shall continue for the duration of the Disability, default or event of Force Majeure plus such additional period as may reasonably be required by Producer in Producer's sole discretion to make preparation for resumption of the Services (as applicable) herein. If Producer suspends this Agreement in whole or in part, Arc and Samurai shall forthwith exercise all rights of suspension provided in favor of Arc or Samurai in all contracts with production personnel, unless otherwise directed by Producer in writing (email is unacceptable). Arc and Samurai agree that they shall include suspension clauses consistent with the terms of this suspension clause in all such contracts of its production personnel. For the purposes hereof, "Disability" shall mean if Samurai is unable to render fully any of the Services hereunder for a period of ten (10) consecutive business days due to any change which materially detracts from Samurai's performance of the Services to the full extent required by Producer hereunder, or legal disability.

(b) Producer shall have the right to require Samurai to terminate the services of any person rendering Services with respect to the Film by virtue of an agreement with Samurai to provide such Services, and Producer shall have the right to terminate this Agreement ("Termination Rights"), upon giving notice to Samurai of its election to do so (email is unacceptable), if at any time during the production of or prior to the delivery of the Materials and the Film:

(i) Arc or Samurai (A) shall fail to materially perform or observe or shall be in material breach of any material term, covenant or agreement contained in this Agreement as reasonably determined by Producer, (B) Samurai is not in compliance with the Production Schedule, or (C) Samurai is not in compliance with the Budget (provided such non-compliances in (B) and (C) are not due to any delay or other conduct on the part of Producer), and any such failure or breach remains un-remedied for ten (10) business days, or five (5) business days if the exigencies of the production so requires, after written notice (email is not acceptable) thereof has been given by Producer to Arc and Samurai specifying the actions to be taken by Arc or Samurai to cure the breach which actions must be taken by Arc or Samurai prior to the close of business on the tenth or fifth (as the case may be) business day after written notice to Arc and Samurai;

(ii) an event of Force Majeure occurs and continues for a period of fourteen (14) consecutive days or longer or in the aggregate for one month or longer, as set out in paragraph 13 above;

(iii) Arc admits in writing its inability to pay its debts generally as they become due, commits an act of bankruptcy or insolvency, or files any petition or action for relief under any bankruptcy, re-organization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors or to take any action in furtherance of the foregoing;

(iv) an involuntary petition is filed under any bankruptcy statute against Arc or a receiver or trustee is appointed to take possession of the property of Arc; or

(v) it becomes unlawful for Arc or Samurai to perform or carry out any of its obligations under this Agreement.

(c) In addition to the right to terminate the Agreement in the event of Force Majeure as set out in paragraph 13 above, Samurai shall have the right to suspend the Services, and Arc and Samurai shall have the right to terminate this Agreement ("**Arc Termination Rights**"), upon giving notice to Producer of their election to do so, if at any time during the production of or prior to the final delivery of the Elements, Producer shall fail to compensate Samurai in accordance with the terms of paragraph 3 of this Agreement, and any such failure or breach remains un-remedied for ten (10) business days, after written notice (email is not acceptable) thereof has been given by Arc and Samurai to Producer specifying the actions to be taken by Producer to cure the breach which actions must be taken by Producer prior to the close of business on the tenth business day after written notice to Producer.

(d) If this Agreement is terminated, the following shall apply:

(i) Samurai shall immediately deliver to Producer or its designee all Work and properties of any sort or nature (including but not limited to all animation files, animation models, animation rigs, contracts, records, books, preprints and any and all other production materials) in its possession or under its control relating to the Film;

(ii) to the extent not previously assigned to Blazing Productions Ltd., Arc and Samurai shall assign to Blazing Productions Ltd. all contracts and any remaining right, title and interest, in and to the copyright to the Work; and

(iii) Arc and Samurai agree to execute and deliver to Producer any other documents consistent herewith that Producer considers necessary or desirable to evidence, effectuate or enforce this Agreement after having the opportunity to review for up to five (5) business days. In case of Arc's or Samurai's refusal or failure to so execute or deliver, or cause to be so executed and delivered, any document or instrument, then in such event, Arc and Samurai hereby irrevocably and unconditionally nominate, constitute and appoint Producer as Arc's and Samurai's true and lawful attorney-in-fact, and

Producer shall therefore be deemed to be Arc's and Samurai's true and lawful attorney-in-fact solely to execute and deliver all of such documents, instruments and assignments in Arc's or Samurai's name and on Arc's or Samurai's behalf and such power is coupled with an interest with full power of substitution and delegation.

(e) Upon such termination, Producer shall have the right to do any of the following:

- (i) assume complete supervision and control of the production of the Film;
- (ii) exercise all rights of Arc and Samurai with respect to the Film under all contracts which were entered into by Arc or Samurai or any entity related to Arc;
- (iii) upon providing prior written reasonable notice to Arc, enter upon Arc's premises where any Work may be (and Arc shall, upon receipt of that notice cause Producer to be accorded access to any other premises where Work may be) and take possession thereof, remove, keep, and store any Work or any portion thereof, or put a custodian in charge thereof, and take such other measures as Producer shall determine in connection therewith.

(f) In the event this Agreement has been terminated by Producer, Arc or Samurai for whatever reason in accordance with this paragraph 14 or paragraph 13, Samurai shall be entitled to retain in full the Non-Refundable Advance Fee paid to Samurai in accordance with paragraph 3 above. In the event of termination of this Agreement for breach or default by Arc or Samurai, Samurai shall not be entitled to any further Compensation beyond the Non-Refundable Advance Fee. In the event that Producer is required to engage a person or entity to complete the Services which were to have been completed by Samurai hereunder but which have not been completed by Samurai due to termination of this Agreement by Producer as a result of a breach of the Agreement by Arc or Samurai, Samurai shall not be entitled to any further Compensation beyond the Non-Refundable Advance Fee and Producer shall have the right to offset its costs and expenses in engaging the person or entity to complete the Services against any other amounts (excluding the Non-Refundable Advance Fee) that would otherwise be payable to Samurai hereunder. In the event of termination of this Agreement for breach or default herein by Producer or Force Majeure as set out in paragraph 13, Samurai shall be entitled to receive the Non-Refundable Advance Fee plus the Compensation set forth in paragraph 3 due to Samurai but not yet paid by Producer (including costs incurred by Samurai but not yet invoiced and commitments made by Arc or Samurai to third parties in respect of the Film at the time of such termination).

(g) Producer shall have the irrevocable right to take over the production of the Work, and/or assume complete and sole control over all matters regarding the Work or terminate this Agreement ("**Take-Over Rights**"), upon giving notice to Arc and Samurai of its election to do so (email is not acceptable), if at any time during the production or prior to the delivery of the Work to Producer or its designee any of the following has occurred:

(i) The production costs of the Work at any time exceed by ten percent (10%) or more of the amount of the budget for the Work, plus any approved overages with respect thereto ("**Samurai Provider Costs**"), or the then estimated final production costs of the Work (as the case may be) exceed the applicable budget by ten percent (10%) or more, provided (A) such excess production costs are not due to any delay or other conduct on the part of Producer and (B) Samurai refuses to be solely responsible for such overages within ten (10) business days of receipt of a written demand (email is not acceptable) by Producer to confirm such responsibility to Producer and to pay the overage amount;

(ii) The rendering of the Services for the Materials is one (1) month or more behind the Production Schedule dates provided herein plus any approved extensions in such production schedule for each benchmark of production, provided (A) such delay is not due to any delay or other conduct on the

part of Producer and (B) Samurai refuses to or is unable to correct such delay within ten (10) business days of receipt of written notice thereof (email is not acceptable) by Producer; or

(iii) Arc or Samurai has failed to materially perform any material obligation, covenant or condition of this Agreement, provided that in the event of such default, Producer shall not exercise its Take-Over Rights hereunder unless Arc or Samurai fails to cure such default within ten (10) business days of receiving written notice (email is not acceptable) of such default and Arc or Samurai fails to take the actions specified by Producer in the notice as the actions which Arc or Samurai must take to cure the breach, such actions must be taken by Arc or Samurai prior to the close of business on the tenth (10th) business day after written notice to Arc and Samurai.

(h) Arc and Samurai hereby agree to cooperate fully with Producer in connection with the exercise by Producer of its Take-Over Rights and to take such steps and execute, acknowledge and deliver such documents as Producer may reasonably require in connection therewith. In the event that Producer exercises its Take-Over Rights, Arc and Samurai shall immediately and irrevocably assign, transfer and convey to Producer any and all rights granted to Arc and Samurai by Producer under this Agreement.

(i) Nothing in this paragraph 14 shall be construed so as to limit or impair any other rights or remedies Producer may have under this Agreement, or at law and/or in equity by reason of any default by Arc or Samurai in the performance of its obligations under this Agreement nor shall the exercise by Producer of its Take-Over Rights constitute an election of remedies by Producer.

15. Remedies: In addition to the remedies set forth in paragraph 14 herein, the following shall apply:

(a) Arc and Samurai agree that in the event of a failure by Producer of its obligations hereunder, the damage, if any, caused to Arc and Samurai thereby, shall not be irreparable or otherwise sufficient to give rise to the right to seek or to obtain injunctive or other equitable relief on the part of Arc or Samurai, and Arc's and Samurai's rights in such event shall be limited to the right to seek damages only. In no event shall Arc or Samurai be entitled to rescind this Agreement or any of the rights granted hereunder or to enjoin or restrain the development, production, distribution or exploitation of the Work or the Film, or the exploitation of any right granted to Blazing Productions Ltd. herein or otherwise controlled or owned by Blazing Productions Ltd..

(b) In the event Arc or Samurai is in breach of any provision of this Agreement, in addition to any and all other remedies, whether at law, in equity or otherwise hereunder, which might be available to Producer, Arc and Samurai acknowledge and agree that the Services and products being provided to Producer hereunder are of a unique nature such that the injury and damage resulting from any default or breach by Arc or Samurai shall not be adequately compensated by a remedy at law, therefore, Producer shall be entitled to seek and to obtain injunctive and other equitable relief.

(c) In the event the Services hereunder are terminated for any reason, Producer shall be entitled to complete the production of the Film without the inclusion of the Services and/or shall be entitled to nominate another company to take over and complete the Services without the use of Arc's facilities.

16. Effect of Termination: The termination of this Agreement for any reason shall not affect Blazing Productions Ltd.'s ownership of the Work and/or any rights granted to Producer hereunder or otherwise controlled or owned by Producer or relieve either party of its obligations pursuant to that party's insurance obligations and their representations, warranties and indemnities hereunder.

17. Canadian Tax Credits and Rebates:

(a) The parties mutually acknowledge that Producer intends to produce the proposed Film so as to qualify for the federal Canadian Film or Video Production Services Tax Credit ("**Federal Credit**") pursuant to the *Income Tax Act* (Canada) and the guidelines of the Canadian Audio-Visual Certification Office ("**CAVCO**"). Additionally, the parties mutually acknowledge that Producer intends to produce the Film so as to qualify for the Ontario Production Services Tax Credit ("**OPSTC Tax Credit**") and the Ontario Computer Animation and Special Effects Tax Credit ("**OCASE Tax Credit**" together with OPSTC Tax Credit, the "**Ontario Credits**") contemplated in Section 43.10 and Section 43.8 respectively of the *Corporations Act* (Ontario), and all other applicable legislation, regulations, bulletins, guidelines and policies (draft or otherwise) issued in connection therewith (the Federal Credit and the Ontario Credits shall be collectively referred to herein as the "**Tax Credits**"). Arc and Samurai agree to cooperate with Producer to the extent necessary for the Film to qualify as set forth above. For the avoidance of doubt, Arc and Samurai acknowledge and agree that Producer alone shall be entitled to all Tax Credits available in respect of the Services and/or the Film. In that regard and with respect to the OCASE Tax Credit, Arc and Samurai agree that Samurai shall claim and collect said OCASE Tax Credit and shall hold same in trust and on behalf solely of Producer, as a fiduciary of Producer (less the Administration Fee as defined below). Subject to the terms and conditions of this Agreement, Producer agrees to make one or more advances (the "**OCASE Advances**") to Samurai to be used by Samurai for the sole and exclusive purpose of paying for the Production Services in accordance with this Agreement. The parties hereto agree that Samurai shall repay to Producer by cheque or wire transfer (and for certainty, not by way of set-off), that portion of the Production Financing equal to the OCASE Tax Credit within ten (10) days of the receipt by Samurai of the OCASE Tax Credit.

(b) Samurai shall be responsible for the timely preparation and submission of all applications relating to the OCASE Tax Credit and Samurai shall cooperate with Producer to maximize the Tax Credits and assist with the collection thereof. The Budget includes a fee (the "**Administration Fee**") for Samurai's services in preparing and submitting the OCASE Tax Credit application and all necessary documentation and correspondence, which Producer has approved as a part of the Budget.

18. Assignment: Arc and Samurai shall not have the right to assign this Agreement in whole or in part or delegate their obligations in whole or in part without the prior written consent of Producer which may be withheld in Producer's sole discretion. Producer shall have the right to assign this Agreement in whole or in part and delegate its obligations in whole or in part at any time. This Agreement and the rights arising under this Agreement will enure to the benefit of and be binding on the parties and their respective permitted successors and permitted assigns.

19. Dispute Resolution: Any dispute arising under or related to the entering into, execution and/or performance of this Agreement shall be submitted to binding arbitration before a mutually agreeable arbitrator (selected by the parties; failing which, selected by a court of competent jurisdiction) who is knowledgeable in the field of animation of a feature films; such arbitration shall be conducted in Toronto, Ontario and shall be conducted in accordance with applicable arbitration laws of Ontario.

20. Governing Law: This Agreement shall be governed by and construed under the laws of the Province of Ontario and laws of Canada applicable therein.

21. Miscellaneous:

(a) **Severability:** If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, then the remaining provisions of this Agreement will remain in full force and effect.

(b) No Waiver: No failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

(c) Entire Agreement: This Agreement sets forth the entire understanding of the parties as to its subject matter hereof and supersedes all prior and contemporaneous discussions, negotiations, documents and agreements (whether oral or written) with respect to the subject matter hereof. This Agreement may not be modified except in a writing executed by both parties (email is not acceptable).

(d) Headings: The headings contained herein are for convenient reference only. They shall not be used in any way to govern, limit, modify or construe this Agreement and shall not be given any legal effect.

(e) Relationship: This Agreement does not constitute a joint venture or partnership of any kind between the parties hereto.

(f) Notices: All notices, requests, demands or other communications required or permitted to be given by one party to another under this Agreement (each, a "Notice") shall be given in writing and delivered by personal delivery or delivery by recognized national courier or delivered by registered mail, postage prepaid, addressed to the respective parties' addresses which are designated below or at such other address at which the addressee may from time to time notify the addressor. Email is only an acceptable form of Notice hereunder in those instances where email is specifically set forth herein as acceptable, and in such event, the email addresses below shall be the acceptable for Notice hereunder:

Blazing Samurai Productions Inc.
497 King Street East, 3rd Floor
Toronto Ontario, Canada M5A 1L9
Attn: Len Pendergast
len@globalincentivesinc.com

For Producer, with a copy to

Mass Animation
1524F Cloverfield Blvd.
Santa Monica, CA 90404
Attn: Susan R. Purcell, VP Business Affairs
susan@massanimation.com

Arc Productions Ltd. and Samurai Productions Ltd.

up to and including April 30, 2016:
230 Richmond Street East
Toronto, Ontario, Canada M5A 1P4

as of May 1, 2016:
364 Richmond Street West, Suite 100
Toronto, Ontario, Canada M5V 1X6

Attn: Peter Kozik, Executive Vice-President and CFO
Peter.Kozik@arcproductions.com

(g) Electronic Signatures; Counterparts: The parties agree that copies of this Agreement may be executed and transmitted by facsimile or electronically in either Tagged Image Format Files ("TIFF") or Portable Document Format ("PDF") and that such facsimile or electronic signatures shall be as binding and enforceable as an originally signed signature. The parties further agree that copies of this Agreement may be executed in counterpart with the understanding that copies of this Agreement to which are attached all such signature pages as signed by each party shall constitute enforceable copies of this Agreement.

(h) Survival: All representations, warranties and indemnities made herein by the parties, and all rights granted to the parties herein shall survive the execution, delivery, suspension, expiration and termination of this Agreement or any provision hereof.

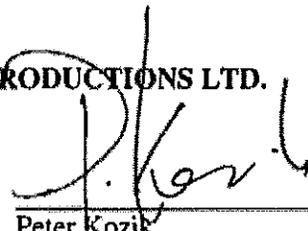
(i) Schedules: The following Schedules are attached to this Agreement, incorporated by reference and form an integral part hereof:

- Schedule A - Elements to be Delivered to Samurai
- Schedule B - Critical Assumptions
- Schedule C - Budget
- Schedule D - Production Schedule
- Schedule E - Cost Report
- Schedule F - Production Report
- Schedule G - Key Personnel
- Schedule H - Technical Delivery Specifications
- Schedule I - Elements For Delivery
- Schedule J - Cash Flow Schedule

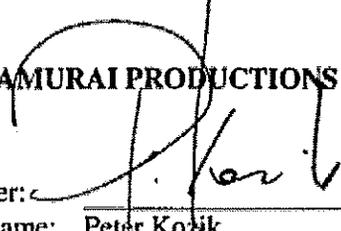
yIN WITNESS WHEREOF, the parties have executed this Agreement as of the day and

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

ARC PRODUCTIONS LTD.

Per: 
Name: Peter Kozik
Title: Executive Vice President & CFO

SAMURAI PRODUCTIONS LTD.

Per: 
Name: Peter Kozik
Title: Chief Financial Officer

BLAZING SAMURAI PRODUCTIONS INC.

Per: _____
Name: Susan Purcell
Title: Director

6421818

**THIS IS EXHIBIT "D-1" TO THE AFFIDAVIT OF
BRITTANY OATES
SWORN BEFORE ME THIS 19TH DAY OF JUNE, 2020**



A COMMISSIONER ETC.

Benjamin Cowley

Blazing Samurai - Tax Credits

Incorp: Mar 29/16 (TBC)

Corporate Entities:

Blazing Productions Ltd. (UK) Copyright holder
 Blazing Samauri Productions Inc. Owned by Blazing Productions Ltd. (UK)
 Arc Productions Ltd.
 Samurai Productions Ltd. Owned by Arc Productions Ltd.

Tax credit claims - 2015

| | PSTC | OPSTC | OCASE | TOTAL |
|----------------------|-------|--------|-------|--------|
| Arc Productions Ltd. | 6,158 | 27,494 | 0 | 33,652 |

Tax credit claims - 2016

| | PSTC | OPSTC | OCASE | TOTAL |
|----------------------------------|---------|---------|---------|-----------|
| Arc Productions Ltd. | 53,137 | 142,138 | 325,178 | 520,453 |
| Blazing Samauri Productions Inc. | 136,852 | 361,040 | 0 | 497,892 |
| | 189,989 | 503,178 | 325,178 | 1,018,345 |
| Total tax credits | 196,147 | 530,672 | 325,178 | 1,051,997 |

Jan to April 12th
 > April 12th

Tax Credit Applications:

- PSTC x 1 Blazing Productions Ltd. One certificate can be used for claims in multiple companies.
- OPSTC x 2 Arc Productions Ltd. and Blazing Samauri Productions Inc. Each company must have their own certificate.
- OCASE x 1 Arc Productions Ltd. One application for 2016.

Process & Timelines:

- File tax credit applications and obtain certificates. Est. 12 - 15 months.
- File T2 amendments for Arc Productions Ltd. FY15 & 16 upon receipt of certificates.
- Prepare F/S and tax return for Blazing Samauri Productions Inc. and claim 2016 tax credits. (2-3 weeks)

1) PSA not signed by BSP1

**THIS IS EXHIBIT "D-2" TO THE AFFIDAVIT OF
BRITTANY OATES
SWORN BEFORE ME THIS 19TH DAY OF JUNE, 2020**

A handwritten signature in black ink, appearing to read 'BC', is written over a horizontal line.

A COMMISSIONER ETC.

Benjamin Cowley

From: "Andrew Kay" <Andrew@kwca.com>
To: "Casey, Paul (CA - Toronto) (paucasey@deloitte.ca)" <paucasey@deloitte.ca>, "Leung, Warren (CA - Toronto) (waleung@deloitte.ca)" <waleung@deloitte.ca>, "Guy Collins" <GUY@GFMFILMS.COM>, "Ron Levin (ron@levinlawcorp.com)" <ron@levinlawcorp.com>
Cc: "Richard Jez" <Rich@kwca.com>
Subject: "Blazing Samurai"

Paul, Ron, Guy and Warren

The following sets out a summary of the "Blazing Samurai" entities, the agreements in our possession, the flow of funds and the production costs incurred and my comments regarding the collectability of the tax credits:

Corporate Entities

- Blazing Productions Ltd. ("BPL") – we understand this is a UK based entity and is the copyright holder
- Arc Productions Ltd. ("ARC")
- Samurai Productions Ltd. – we understand that this is a 100% owned subsidiary of ARC.
- Blazing Samurai Productions Inc. ("BSPI") – we understand that this company is a wholly owned subsidiary of Global Film Production Services Inc.

Agreements

- Production Services Agreement dated September 21, 2015 between ARC and BPL ("PSA") – this agreement is fully executed. (see attached)
- Amended and Restated Production Services Agreement dated April 2, 2016 between ARC, Samurai Productions Ltd., and BSPI ("Amended PSA") – This agreements has not been executed by BSPI. (see attached)

Flow of Funds

- BPL to ARC from July 10, 2015 and March 24th, 2016 - \$4,104,008 CDN and \$489,823 US
- BPL to Blazing Samurai Productions Inc. to ARC from April 18, 2016 to July 10, 2016 - \$1,913,914 CDN

Production Costs Incurred

- ARC - \$2,450,342
- ARC costs incurred pre April 12th, 2016 - \$771,085
- ARC costs incurred post April 12th, 2016 - \$1,679,257

Collectability of Tax Credits

The purpose of the Amended PSA and changing the flow of funds commencing April 18, 2016 was to be able to claim the OPSTC and the PSTC on costs incurred after April 12th, 2016 in BSPI – see attached schedule for the breakdown of tax credits between ARC and BSPI.

However, the Amended PSA will not allow BSPI to claim the tax credits as a requirement for a qualifying corporation to claim tax credits on costs incurred is there be an agreement between the qualifying corporation and the copyright holder and there is no agreement between BPL and BSPI. The Amended PSA is a sub contract agreement between BSPI and ARC, not a services agreement with the copyright holder. Additionally, as BSPI has not incurred any costs directly, nor does it appear to have any activity directly and no evidence of a lease, CRA may take the position that BSPI has no permanent establishment in Ontario and therefore does not qualify to claim tax credits.

ARC is in a position to claim all the tax credits as it has contracted directly with the copyright holder through the fully executed PSA, it does have a permanent establishment in Ontario and it did incur all the costs.

May I suggest we have a call to discuss next steps.

Andrew Kay, CPA, CA

THIS IS EXHIBIT "E-1" TO THE AFFIDAVIT OF

BRITTANY OATES

SWORN BEFORE ME THIS 19TH DAY OF JUNE, 2020

A handwritten signature in black ink, appearing to read "Benjamin Cowley", written over a horizontal line.

A COMMISSIONER ETC.

Benjamin Cowley

OCASE APPLICATION

| General Information | |
|---|--|
| Qualifying Corporation Information | |
| Applicant Organization: Arc Productions Ltd. | Ontario Tax Account No.: 1847816 |
| Fiscal Year Start: Jan 01, 2016 | Fiscal Year End: Dec 31, 2016 |
| Corporation Number: 1847816 | Federal Business Number: 895877488RC0003 |
| Date of Incorporation: Jan 01, 2007 | |
| Address 8 Adelaide Street West Suite 200 Toronto Ontario M5H 0A9 Canada | Contact: Richard Jez |
| | Title: |
| | Telephone Number: 416-977-2416 x246 Fax No: |
| | Email: richard_jez@kwca.com |
| Mailing Address (if different from above): | No |
| Is Agent?: Yes | Incorporated In: Ontario |

| Per Production Information | |
|--|---|
| Eligible Production Information | |
| Production Title: Blazing Samurai | Production Company: Arc Productions Ltd. |
| Is this a TV Series: No | Broadcast/Distributor: TBD |
| Genre: Children's | Production Format: Theatrical Feature Film |
| Nature of Production: Animation | Production Length: 85 Minutes |
| Has this OCASE production been submitted to OMDC for an OFTTC or OPSTC tax credit? Yes | |
| Start date of principal photography or key animation of the Production | Sep 25, 2015 |
| Start Date of Eligible Activity by Applicant: | Jan 01, 2016 |
| End Date of Eligible Activity by Applicant: | Jul 15, 2016 |
| Are you providing VFX services or digital animation services to the production company or production services company? | Yes |
| Detailed Description of work performed: | see attached |
| Were all activities for this OCASE claim performed in Ontario? | Yes |

| Eligible Production Documents for Blazing Samurai | | |
|---|---|---|
| Item | Supporting Documents | Status |
| A | (linebreak) Contract with the producer of the eligible production (or with another qualifying corporation) (linebreak) OR where the applicant is the producer or the production services provider, chain of title documentation.(linebreak) Note: Where there is no contract, please submit the invoice(s). | File uploaded: PSA - fully executed.pdf |
| B | List of Employees/Contractors claimed as eligible labour, with job titles and Ontario residency addresses.(linebreak)NOTE: for a "Producer's OCASE claim", please refer to the "Eligible Positions for a Producer's OCASE Claim" for the conventional cast and crew positions (ie the non-VFX-specific roles) that can be included. | File uploaded: Crew list - Blazing Samurai.pdf |
| C | Production Schedule - including start and end dates of eligible activities by applicant. | File uploaded: Production schedule.pdf |
| D | A description of the process by which the animation or visual effects are created, including a list and description of the digital technologies and software used. | File uploaded: Description of animation activities.pdf |
| E | Where the producer/production services provider is making an OCASE claim, please provide the following documentation:(linebreak)(i) Copy of all the VFX services agreements to support the digital component of the producers claim, as well as any change orders to the VFX services agreements. (linebreak)(ii) Daily Production Reports (DPR's) and Call Sheets, - for a producer's OCASE claim you must provide detailed DPR's and call sheets. (linebreak) Note: OMDC reserves the right to ask for further supporting documentation such as the VFX breakdown, the percentage of VFX shots in screen time and/or the VFX shots database, etc. | Not Provided |
| F | Average VFX Percentage Calculation - Main Unit Note: OMDC reserves the right to ask for further supporting documentation such as the percentage of VFX shots in screen time and/or the VFX shots database, etc. | Not Required |
| G | Average VFX Percentage Calculation - Second/Splinter Unit Note: OMDC reserves the right to ask for further supporting documentation such as the percentage of VFX shots in screen time and/or the VFX shots database, etc. | Not Required |
| H | Breakdown/schedule of eligible Ontario labour expenditures for eligible activities for the taxation year (per production).(linebreak)These schedules should make a clear distinction between, and provide subtotals for:(linebreak)i) Qualifying Wage Amounts incurred by the qualifying corporation on account of salaries and wages of its employees(linebreak)ii) Qualifying Remuneration Amounts (i.e. paid to arm's length parties who are not employees of the corporation) incurred by the qualifying corporation (linebreak)Where Qualifying Ontario Labour Expenditures (QLE) are incurred on and before April 23, 2015 and after that date, please provide separate schedules for the QLE incurred before April 24, 2015 and the QLE incurred after April 23, 2015.(linebreak)Note: If you application includes production(s) are applying for the OCASE Transitional Grant, the schedule of Qualifying Ontario Labour Expenditures (QLE) must also split out the labour expenditures incurred in the period after April 23, 2015 and before January 1, 2017 from the QLE incurred after December 31, 2016 for the production(s). | File uploaded: OCASE lbr sched - 2016.pdf |
| I | (linebreak) Financing Plan: where the applicant is the producer of the production, include a copy of all signed distribution, exploitation and financing agreements noted therein. Where the applicant is the production services provider, submit the production services agreement.(linebreak) | Not Required |
| J | If you are applying for the OCASE Transitional Grant, please provide a written agreement in support of this request. | Not Provided |

Calculation of OCASE Estimate

Production: Blazing Samurai

| Eligible Production | A: Applicant's Cost to Produce Animation or Effect (Labour & Non-Labour) | B: Total Ontario Labour Expenditures | C: Labour Deferrals and/or Assistance Directly in Respect of Labour | D: Eligible Labour for the Production (B-C) | E: Assistance in Respect of Applicant's Production Cost | F: Eligible Expenditures for the Production D - [E * (B/A)] | OCASE [F * 18%] |
|--|--|--------------------------------------|---|---|---|---|-----------------------|
| After April 23, 2015 | \$2,620,512.00 | \$1,801,508.00 | \$0.00 | \$1,801,508.00 | \$0.00 | \$1,801,508.00 | \$324,271.44 |
| 100% of Salaries/Wages: | | \$1,801,508.00 | | | | | |
| 100% of Remuneration Paid to Unincorporated Individual: | | \$0.00 | | | | | |
| 100% of Remuneration Paid to Incorporated Individual: | | \$0.00 | | | | | |
| Total Applicant's Cost to Produce Animation or Effect (Labour & Non-Labour) : | | | | | | | \$2,620,512.00 |
| Total Eligible Labour for the Productions: | | | | | | | \$1,801,508.00 |
| Total Eligible Expenditures for the Productions : | | | | | | | \$1,801,508.00 |
| Total Estimated Amount of the Qualifying Corporation's Tax Credit for the Taxation Year : | | | | | | | \$324,271.44 |

Administration Fee

The Amount of the Admin Fee is 0.15% of the Total Eligible Labour for the Productions (D). The minimum total Admin Fee is \$500 and maximum is \$10,000 per application.

| Total Eligible Labour for the Productions (D) | Administration Fee (F * 0.15%) | Adjusted Administration Fee (minimum fee: \$500; maximum fee: \$10,000) | Additional Filing Fee (\$100) |
|--|--------------------------------|---|-------------------------------|
| \$1,801,508.00 | \$2,702.26 | \$2,702.26 | \$100.00 |
| Total Administration Fee (Mail In or E-transfer) Fees are payable by cheque or money order to the Ontario Media Development Corporation (or Ontario Creates), or by Interac e-transfer (Instructions can be found here) at the time the application(s) are submitted to Ontario Creates. Total Administration Fee is required in order for the application to be reviewed. | | \$2,702.26 | \$2,802.26 |

| Supporting Documents | | |
|-----------------------------|--|---|
| Item | Supporting Documents | Provide Document |
| 1 | Administration Fee Note: Must be received by the OMDC (payable to OMDC) | Mail In |
| 2 | Standard DVD copy of the completed animation (one episode, if a series), or a sampling of the visual effects (if available). | Mail In |
| 3 | Required Authorization Document: Applicant Declaration Download declaration form here, sign and return to the OMDC. | Not Provided |
| 4 | Incorporation documents for the qualifying corporation | File uploaded: Arc Productions Ltd. - Certificate of incorp.pdf |
| 5 | Corporate Chart - indicating percentages of shareholdings in the applicant production company, and nationality of shareholders. | Not Provided |
| 6 A | Contract with the producer of the eligible production (or with another qualifying corporation) OR where the applicant is the producer or the production services provider, chain of title documentation. Note: Where there is no contract, please submit the invoice(s). | Provided |
| 7 B | List of Employees/Contractors claimed as eligible labour, with job titles and Ontario residency addresses.(linebreak)NOTE: for a "Producer's OCASE claim", please refer to the "Eligible Positions for a Producer's OCASE Claim" for the conventional cast and crew positions (ie the non-VFX-specific roles) that can be included. | Provided |
| 8 C | Production Schedule - including start and end dates of eligible activities by applicant. | Provided |
| 9 D | A description of the process by which the animation or visual effects are created, including a list and description of the digital technologies and software used. | Provided |
| 10 E | Where the producer/production services provider is making an OCASE claim, please provide the following documentation:(linebreak)(i) Copy of all the VFX services agreements to support the digital component of the producers claim, as well as any change orders to the VFX services agreements. (linebreak)(ii) Daily Production Reports (DPR's) and Call Sheets, - for a producer's OCASE claim you must provide detailed DPR's and call sheets. Note: OMDC reserves the right to ask for further supporting documentation such as the VFX breakdown, the percentage of VFX shots in screen time and/or the VFX shots database, etc. | Provided |
| 11 F | Average VFX Percentage Calculation - Main Unit Note: OMDC reserves the right to ask for further supporting documentation such as the percentage of VFX shots in screen time and/or the VFX shots database, etc. | Provided |
| 12 G | Average VFX Percentage Calculation - Second/Splinter Unit Note: OMDC reserves the right to ask for further supporting documentation such as the percentage of VFX shots in screen time and/or the VFX shots database, etc. | Provided |
| 13 H | Breakdown/schedule of eligible Ontario labour expenditures for eligible activities for the taxation year (per production).(linebreak)These schedules should make a clear distinction between, and provide subtotals for:(linebreak)i) Qualifying Wage Amounts incurred by the qualifying corporation on account of salaries and wages of its employees(linebreak)ii) Qualifying Remuneration Amounts (i.e. paid to arm's length parties who are not employees of the corporation) incurred by the qualifying corporation (linebreak)Where Qualifying Ontario Labour Expenditures (QLE) are incurred on and before April 23, 2015 and after that date, please provide separate schedules for the QLE incurred before April 24, 2015 and the QLE incurred after April 23, 2015.(linebreak)Note: If you application includes production(s) are applying for the OCASE Transitional Grant, the schedule of Qualifying Ontario Labour Expenditures (QLE) must also split out the labour expenditures incurred in the period after April 23, 2015 and before January 1, 2017 from the QLE incurred after December 31, 2016 for the production(s). | Provided |
| 14 I | Financing Plan: where the applicant is the producer of the production, include a copy of all signed distribution, exploitation and financing agreements noted therein. Where the applicant is the production services provider, submit the production services agreement. | Provided |
| 15 J | If you are applying for the OCASE Transitional Grant, please provide a written agreement in support of this request. | Provided |
| 16 | Other Documents(linebreak)All other supporting documents that are not listed in the document items above can be uploaded here. If you wish to make any comments or plan on couriering/mailling non-documents such as books, DVDs, sound recordings etc., please make note of that in the General Comments field below. | Not Provided |
| General Comments | | |
| | | |

**THIS IS EXHIBIT "E-2" TO THE AFFIDAVIT OF
BRITTANY OATES
SWORN BEFORE ME THIS 19TH DAY OF JUNE, 2020**



A COMMISSIONER ETC.

Benjamin Cowley



175 Bloor Street East
South Tower, Suite 501
Toronto, ON M4W 3R8
ontariocreates.ca

OPSTC – Application Form

| General Information | | | | | | |
|---|-----------------------------|--------------------------|--|-----------------------------|--------------|--|
| Production Title: | Blazing Samurai | | Is this production a television series or a pilot for a television series? | No | | |
| | | | Name of Payroll Company Used (if any): | | | |
| | | | Production is: | Foreign | | |
| Previous Title(s) of Production: | | | | | | |
| Qualifying Corporation: | Arc Productions Ltd. | | Ontario Corporate Tax Account Number: | 1847816 | | |
| Fiscal Year Start: | 01/01/2015 | | Incorporated In: | Ontario | | |
| Fiscal Year End: | Dec 31, 2015 | | Are you applying for post production only? | No | | |
| Date of Incorporation: | Jan 01, 2007 | | Federal Business Number: | 895877488RC0003 | | |
| Corporation Number: | 1847816 | | | | | |
| Address: 8 Adelaide Street West Suite 200 Toronto ON M5H 0A9 Canada | | | Are you applying as an Agent? | Yes | | |
| | | | Qualifying Corporation Contact: | Richard Jez | | |
| | | | Title: | | | |
| | | | Email: | richard_jez@kwca.com | | |
| | | | Telephone: | 416-977-2416 - 246 | | |
| | | | Fax: | | | |
| Is your mailing address different from the one above? | | | No | | | |
| Is the Qualifying Corporation the Copyright Owner? | | | | | | |
| Have you applied/will you be applying for the Canadian Film or Video Production Tax Credit? | | | No | | | |
| Have you applied/will you be applying for the Federal Film or Video Production Services Tax Credit? | | | Yes | | | |
| Copyright Owners: | Name | Address | Phone | Contact Name | Title | |
| | Blazing Productions Ltd. | 189 Munster Road, London | 44 207 186 6300 | Guy Collins | Director | |

OPSTC – Application Form

| Production Details | | | | |
|--|------------------|--|--|----------------------|
| Is the production an international co-production? | | No | | |
| Is the production an inter-provincial co-production? | | No | | |
| Is the production an Ontario Joint Venture? | | No | | |
| Qualifying Production Expenditure: After April 23, 2015 and before January 1 2017 | | | | |
| Genre: | | Drama | Product Format: TH-FF | |
| Production Length - Total Running Time in Minutes: | | 85 | Number of Shooting / Key Animation Day (s) in Ontario: 195.00 | |
| Number of Shooting / Key Animation Day(s) outside Ontario: | | 0.00 | Total Number of Days: 195.00 | |
| Start Date of Principal Photography and/or Key Animation: | | Sep 25, 2015 | End Date of Principal Photography and/or Key Animation: Jul 15, 2016 | |
| Nature of Production: | % of Live Action | % of Animation | % of Archival Footage | % of Special Effects |
| | 0.00 | 100.00 | 0.00 | 0.00 |
| Production Financing | | | | |
| Provide a full financing breakdown for the production with supporting documentation (include tax credit estimates). | | | | |
| | | | | |
| Total Cost of Production (Global Budget) \$ | 21,468,806.00 | In Canadian Dollars | | |
| Per Episode Cost of Series \$ | | In Canadian Dollars | | |
| Total Canadian Costs (Canadian Budget) \$ | 21,468,806.00 | In Canadian Dollars | | |
| Total Ontario Production Costs (Ontario Budget) \$ | 21,468,806.00 | Include Non-Labour costs in Canadian Dollars | | |
| Ontario Expenditures \$ | | The Total Ontario Production cost (Ontario budget) less any non-Ontario costs within the Ontario budget. | | |
| Total Qualified Ontario Labour \$ (include salary and wages and the labour portion of eligible service contracts) | 2,444,492.00 | Labour component only in Canadian Dollars | | |

OPSTC – Application Form

| Production Schedule Information | | | | |
|----------------------------------|--------------------|-----------------|--------------|--------------|
| Live Action Production Schedule: | | Location | From | To |
| | Preparation | | | |
| | Shooting | | | |
| | Post-production | | | |
| | Answer print | | | |
| Animation Production Schedule: | | Location | From | To |
| | Storyboards | Ontario | Sep 25, 2015 | Mar 26, 2016 |
| | Dialogue recording | Ontario | Mar 31, 2016 | Jul 15, 2016 |
| | Design and Layout | Ontario | Sep 25, 2015 | Mar 24, 2016 |
| | Animation | Ontario | Apr 22, 2016 | Jul 15, 2016 |
| | Opaquing | Ontario | Jun 17, 2016 | Jul 15, 2016 |
| | Post Production | Ontario | Jun 10, 2016 | Jul 15, 2016 |
| | Answer Print | Ontario | Jul 15, 2016 | |

Calculation of OPSTC Estimate

| THIS SECTION MUST BE COMPLETED FOR PRODUCTIONS WITH QUALIFYING ONTARIO PRODUCTION EXPENDITURES. | | | |
|---|---------------|----|--------------|
| Applicant's Total Qualifying Ontario Production Expenditure | A | \$ | 2,444,492.00 |
| Proportionate to Eligible Production Expenditures | | % | 11 |
| LESS: Related Assistance | | \$ | |
| Total Labour-Related Assistance | B | \$ | 0.00 |
| LESS: Labour Deferrals | | \$ | |
| Total Labour Deferrals | C | \$ | 0.00 |
| Total Paid Ontario Production ExpenditureS | D = A - C | \$ | 2,444,492.00 |
| Total Eligible Ontario Labour Expenditure | E = A - B - C | \$ | 2,444,492.00 |
| OPSTC Estimate | F = E * 21.5% | \$ | 525,565.78 |
| CALCULATION OF TOTAL OPSTC ESTIMATE. | | | |
| Total Eligible Ontario Labour and/or Production Expenditure | G | \$ | 2,444,492.00 |
| Total Ontario Labour x 4 (QPE Limit) | H | \$ | 0.00 |
| Total OPSTC Estimate | I | \$ | 525,565.78 |

OPSTC – Application Form

| Administration Fee | | |
|---|---|----------------------------------|
| Administration Fee (D * 0.15%) | Adjusted Administration Fee (minimum fee: \$5,000.00; maximum fee: \$10,000.00) | Additional Filing Fee (\$100) |
| \$3,666.74 | \$5,000.00 | \$100.00 |
| Total Administration Fee (Mail In or E-transfer) | | \$5,100.00 |
| Fees are payable by cheque or money order to the Ontario Media Development Corporation (or Ontario Creates), or by Interac e-transfer (Instructions can be found here) at the time the application(s) are submitted to Ontario Creates. Total Administration Fee is required in order for the application to be reviewed. | | |

| Supporting Documents | | |
|-----------------------------|--|--|
| Item | Supporting Documents | Status |
| 1 | Administration Fee Note: Must be received by the OMDC (payable to OMDC) | Mail In |
| 2 | Required Authorization Document: Applicant Declaration Download Declaration form here, sign and return to the OMDC. | Not Provided |
| 3 | Incorporation documents for the qualifying corporation | File uploaded: Arc Productions Ltd. - Certificate of incorp.pdf |
| 4 | Corporate Chart or List of Shareholders for the Qualifying Corporation | File uploaded: Corp org chart.pdf |
| 5 | Production Services Agreement | File uploaded: PSA - fully executed.pdf |
| 6 | Copy of the Official Designee Affidavit signed for purposes of the Federal Film or Video Production Services Tax Credit. | File uploaded: Official Designee Affidavit.pdf |
| 7 | Synopsis for the Production | File uploaded: Synopsis.pdf |
| 8 | Chain of title documentation (such as a legal opinion) | File uploaded: Chain of title summary.pdf 1) Mar 31, 2011 - One Picture License.pdf 2) Jan 13, 2015 - One Picture License.pdf 3) Aug 10, 2015 - One Picture License Amendment.pdf 4) Assignment to BS Prod Co May 20 15.pdf 5) Assignment to BS Prod Co Oct 1 15.pdf 6) One Picture License to Blazing Productions Oct 15 15.pdf |
| 9 | CAVCO Accreditation Certificate or CAVCO Part A Certificate, if available. | Not Provided |
| 10 | Cast Lists with Names and Residency Addresses | File uploaded: Crew list - Blazing Samurai.pdf |
| 11 | Crew Lists with Names and Residency Addresses | File uploaded: Crew list - Blazing Samurai.pdf |
| 12 | Financing Plan for the Production Note: If Canadian production, please submit all financing documents. | Not Provided |

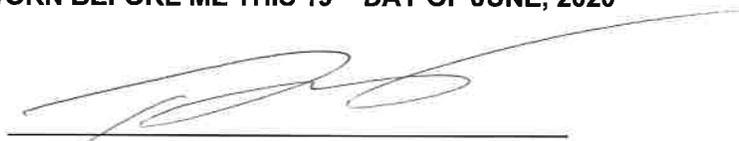


175 Bloor Street East
 South Tower, Suite 501
 Toronto, ON M4W 3R8
 ontariocreates.ca

OPSTC – Application Form

| | | |
|-------------------------|--|---|
| 13 | Signed Final Financing Agreements | Not Provided |
| 14 | Detailed Cost Report (if production has been completed) OR Production Budget | File uploaded: Budget.pdf |
| 15 | Schedule of Final (actual) Ontario Qualifying Production Expenditures (if the production has been completed), OR Schedule of Projected Qualifying Production Expenditures. Where Qualifying Production Expenditures are incurred on and before April 23, 2015 and after that date, please provide: Schedule of Final (actual) Ontario Qualifying Production Expenditures (if the production is completed) OR Schedule of Projected Qualifying Production Expenditures, incurred before April 24, 2015. AND Schedule of Final (actual) Ontario Qualifying Production Expenditures (if the production is completed) OR Schedule of Projected Qualifying Production Expenditures incurred after April 23, 2015. | File uploaded: OPSTC Schedule - BLANK.pdf |
| 16 | Other Documents All other supporting documents that are not listed in the document items above can be uploaded here. If you wish to make any comments or plan on couriering/mailling non-documents such as books, DVDs, sound recordings etc., please make note of that in the General Comments field below. | File uploaded: OPSTC qualifying expenditures.pdf |
| General Comments | | |
| | | |

**THIS IS EXHIBIT "E-3" TO THE AFFIDAVIT OF
BRITTANY OATES
SWORN BEFORE ME THIS 19TH DAY OF JUNE, 2020**

A handwritten signature in black ink, appearing to read 'Benjamin Cowley', is written over a horizontal line.

A COMMISSIONER ETC.

Benjamin Cowley

Application Summary

Case File Number:
Production Title: Blazing Samurai

Program: PSTC

Submission Date:
Principal Photography / Key Animation: September 25, 2015

Completion Date: December 31, 2019

Production Details and Target Demographics

Production ISAN:
Primary Market: Theatrical

Production Type: Animation

Primary Language: English

Production Genre:
Primary Target Audience: Youth (13 - 17)

Production Form: Feature

Duration: 1:25:00

Production Medium: HD

Production Cycle Number:
Delivery Medium: HD

Number of Episodes: 0

Synopsis

An action packed animated comedy inspired by Mel Brooks' Blazing Saddles. Hank, a loveable dog with a head full of dreams about becoming a samurai, sets off in search of his destiny. Unfortunately for him, what he finds instead is the strange and unwelcoming town of Kakamucho. There, he sticks out like a sore thumb for he is a dog and everyone else is a cat! Can he win them over? Can he defeat the dastardly deeds of a narcissistic kitty who plans to take over the town? With a little bit of kitten luck and bowl-full of help from a once great samurai warrior, Jimbo, he might just do it.

Previous Title

No Data

Copyright

Legal Name: Blazing Productions Ltd.

Carry On Business Name:
Address: - 189 Munster Road

Telephone Number: 44 207 186 6300

London, SW6 6AW, United Kingdom

Fax Number:

Current Copyright Holders

| Legal Name | Rights Held From | Rights Held To | % of Ownership |
|--------------------------|------------------|----------------|----------------|
| Blazing Productions Ltd. | October 15, 2015 | To Present | 100.00 |

Project History

Concept Creator:
Project History: See summary attached

Chain of Title Agreements

| | |
|---|---|
| Agreement Type: One Picture License | Date: 03/31/2011 |
| Assignor: Warner Bros. Pictures | Assignee: Mass Animation LLC |
| Rights Transferred: The exclusive right to acquire a license within a nine month development period. Agreement expired Dec 31/11. | |
| Agreement Type: One Picture License | Date: 01/13/2015 |
| Assignor: Warner Bros. Pictures | Assignee: Mass Animation LLC |
| Rights Transferred: Right to produce, distribute and exploit the animated feature "Blazing Samurai" based on the motion picture "Blazing Saddles". | |
| Agreement Type: Amendment | Date: 08/10/2015 |
| Assignor: Warner Bros. Pictures | Assignee: Mass Animation LLC |
| Rights Transferred: Extension of option period | |
| Agreement Type: Assignment | Date: 05/20/2015 |
| Assignor: Mass Animation LLC | Assignee: BS Prod Co. Inc. |
| Rights Transferred: All right, title and interest in and to the "Blazing Samurai" property | |
| Agreement Type: Assignment | Date: 10/01/2015 |
| Assignor: Mass Animation LLC | Assignee: BS Prod Co. Inc. |
| Rights Transferred: Warner option agreements | |
| Agreement Type: One Picture License | Date: 10/15/2015 |
| Assignor: BS Prod Co. Inc. | Assignee: Blazing Productions Ltd. |
| Rights Transferred: All rights necessary to produce and exploit the animated feature "Blazing Samurai" | |

Costs

| |
|--|
| Production's Total Cost: \$21,468,806.00 |
| Cost per Episode: \$0 |
| Production's Total Cost Spent in Canada: \$2,462,724.00 |

Project Attachments

| Document Type | Document Name | Description | File Name |
|-----------------------------|-----------------------------|-------------|---------------------------------|
| Official Designee Affidavit | Official Designee Affidavit | | Official Designee Affidavit.pdf |
| Correspondence | Chain of Title summary | | Chain of title summary.pdf |
| Budget | Budget | | Budget from PSA.pdf |

Submission History

| |
|---------|
| No Data |
|---------|

Review Questions

✓

Attestation

Case File Number: - Blazing Samurai

✓