

Incentive Capital LLC
2755 E. Cottonwood Parkway
Suite 100
Salt Lake City, UT 84121

As of April 7, 2010

Re: Escrow Agreement ("Escrow Agreement") between Camelot Film Group, Inc. ("CFG") and Incentive Capital LLC (the "Lender")

Dear Sirs:

Reference is made to Camelot Entertainment Group's ("CEG") guarantee (the "CEG Guarantee") of CFG'S obligations as defined in the loan documents of even date between the Lender and CFG ("Loan Documents") relating to the acquisition by Camelot of the Liberation Entertainment Library assets.

Please confirm your agreement to the terms of this Escrow Agreement by signing and returning to us the enclosed copy:

1. Undertakings

- (a) CEG shall forthwith deliver to the undersigned escrow agent ("Escrow Agent") a Certificate of Designation (the "Certificate") in the form annexed hereto as Exhibit A, authorizing the issuance of Six Hundred Fifty Thousand Dollars (\$650,000.00) worth of CEG Class F Convertible Preferred shares (the "Pledged Shares"), which shall be held in accordance with, and subject to, the terms of this Escrow Agreement.
- (b) CEG shall also forthwith deliver to the Escrow Agent a certificate constituting the Pledged Shares (made out to the Lender) (the "Certificate"), which shall be convertible into fully paid and non-assessable shares of CEG common stock ("Common Stock") at a price based on the ninety (90) day average price of the Common Stock immediately prior to the conversion of the Stock. While in escrow, none of CEG or its affiliates shall transfer, assign or encumber any of the Pledged Shares or the Certificate.
- (c) If the total consideration received by the Lender from loan payments, distribution revenues generated by Camelot Distribution Group, Inc. and/or CFG, and all other sources as more fully discussed and agreed to in the Loan Documents, is less than Six Hundred Fifty Thousand Dollars (\$650,000.00), plus applicable interest, in the aggregate, by the time all of said Common Stock has been delivered and is eligible for sale, then CEG shall issue additional shares of CEG Common Stock to the Lender until the Lender has received Common Stock that has a fair market value in an amount not less than Six Hundred Fifty Thousand Dollars (\$650,000.00), plus applicable interest.
- (d) Escrow Agent will hold the Pledged Shares and the Certificate in accordance with the terms of this Escrow Letter.




- (e) If the Escrow Agent receives written notice from CEG and the Lender on or before the expiration of the Loan Documents that the Lender has been fully paid pursuant to the Loan Documents, the Escrow Agent will transfer the Pledged Shares to Camelot unencumbered within five (5) business days of such notification; or
- (f) If the Lender notifies the Escrow Agent in writing (but such notification cannot occur before the maturity date of loan set forth in the Loan Documents), with a copy to CEG, that Lender has not been fully paid pursuant to the Loan Documents, and such notification is not objected to by CEG in writing within five (5) business days after its receipt of such notice, the Escrow Agent shall transfer to the Lender the Pledged Shares and the Certificate in an amount equal to the remaining balance, plus accrued and unpaid interest, of the Note, unencumbered, within five (5) business days of such notification.
- (g) In the event that such notification from the Lender is disputed by CEG in writing, then the Escrow Agent shall hold the Pledged Shares, subject to parties resolving the dispute either voluntarily or through mutually-acceptable dispute resolution in the State of Utah. Notwithstanding the foregoing, unless CEG produces to the Escrow Agent (at the same time it provides the Escrow Agent its written objection) evidence of a money transfer (i.e. wire, check or cash) in an amount that would completely pay off the loan discussed herein and prior to or on the maturity date set forth in the Loan Documents, Escrow Agent shall release the Pledged Shares and the Certificate to the Lender.
- (h) All notices shall be in writing by email and fax to the addresses set forth in the Loan Documents, with a hard copy delivered personally as to addresses in the Los Angeles metropolitan area or sent by Federal Express or UPS as to addressees outside of the Los Angeles metropolitan area, to the respective addresses set forth below.

2. Miscellaneous

- (a) The transfer of the Pledged Shares to the Lender, or back to Camelot, hereunder shall be made to the applicable party via Federal Express at Camelot's expense upon five (5) business days prior notice, unless the parties agree in writing on a different manner of transfer of the Pledged Shares.
- (b) Upon receipt of the Pledged Shares and the Certificate from the Escrow Agent, whether to Camelot (upon payoff of the loan discussed herein) or to the Lender (if the Lender is not fully paid in accordance with the Loan Documents), the Escrow Agent shall be discharged from any other obligations to the Lender, and this Escrow Agreement shall terminate.

At all times after the date of this Escrow Agreement the parties shall execute all such documents and do all such acts and things as may reasonably be required for the purpose of giving full effect to this Escrow Agreement.

All rights under this Escrow Agreement are personal to the Parties and may not be assigned by either Party without the prior written consent of the other Party.




This Escrow Agreement and any documents referred to in it, constitute the whole agreement between the Parties and supersede any previous arrangement, understanding or agreement between them relating to the subject matter they cover, and may not be modified and/or amended without the prior written consent of both Parties.

Except as expressly provided in this Escrow Agreement, a person who is not a party to this Escrow Agreement shall not have any right to enforce any term of this Escrow Agreement.

These Escrow Instructions and this Escrow Agreement shall be governed by the internal laws of the State of Utah applicable to contracts negotiated and entered into and performed wholly within the State of Utah.

Accepted and Agreed:

CAMELOT ENTERTAINMENT GROUP, INC.

BY: 
Name: _____
Title: ROBERT P. AGNEW
CHAIRMAN

INCENTIVE CAPITAL LLC

BY: _____
Name: _____
Title: _____

Yours faithfully

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ESCROW AGENT

