

sales agreement.

This Sales Agreement ("**Agreement**") is entered into effective as of **Month DD, 2019** by and between **THE FILM COLLABORATIVE, INC.** (hereinafter "**TFC**"), located at 3405 Cazador Street, Los Angeles CA 90065, and **CCCC** (hereinafter "**Production Company**" or "**PC**"), located at **XXXX** and with a Tax-ID of **XXXX**. TFC and PC are at times collectively referred to hereinafter as the "**Parties**" or individually as the "**Party**". In consideration of the mutual covenants and conditions set forth herein, and with respect to the motion picture "**XXXX**" (the "**Picture**"), directed by **XXXX**, the Parties hereby agree as follows:

1. Sales Consultancy. During the Term (as defined below), TFC shall in good faith represent the Picture to buyers in the Territory (as defined below) for the sale of the Picture ("**Sales Services**"). TFC shall update PC about any interest and/or offers from buyers for the Picture communicated to TFC. PC will be the contracting party with any such buyers. TFC shall not enter into any agreement for the sale of the Picture on behalf of PC and shall not agree to any terms of the sale of the Picture on behalf of PC without PC's prior written approval (including email). For the sake of clarity, it is understood between the Parties that no rights to the Picture are licensed herein.

2. Delivery. PC, at PC's sole expense, will deliver to any buyer all materials required for delivery by any such buyer pursuant to the terms of a separate agreement between PC and said buyer in connection with the Picture. PC agrees that TFC will have no liability with respect to: the delivery of such materials, any rights licensed, and any distribution of the Picture.

3. Materials: The Film Collaborative must receive, at PC's expense, all relevant marketing materials from the U.S. release of the picture, including but not limited to trailer, stills and layered key art, for use in attracting potential buyers. To the extent that PC wishes to spend additional funds on marketing to buyers, PC shall either cover or allow TFC to recoup such associated costs.

4. Territory: The United States, Canada and their respective protectorates, commonwealths, territories, trusteeships and possessions (the "**Territory**").

5. Term: The "**Sales Term**" will start on **Month DD, 2019** and terminate after three months, on **Month DD, 2019** unless mutually extended by the Parties in writing (including email). Notwithstanding the foregoing, PC may terminate the Sales Term and this Agreement with thirty (30) calendar days' notice prior to any such anticipated termination. Irrespective of the expiration or earlier termination of this Agreement, the Parties agree that TFC shall receive any commissions or fees for any deals generated, originated or referred by TFC and TFC shall be due reimbursement for any unrecouped Approved Expenses as defined below.

6. Compensation.

- (a) For Sales Services. In connection with TFC's Sales Services, unless otherwise agreed in writing mutually between the Parties, TFC will be due a commission equal to twenty percent (20%) of any flat fees paid or minimum guarantee payments and of any and all subsequent overages revenues from any executed deals for the Picture which are generated, originated or referred by TFC (hereinafter, "**TFC Sales Fee**"). TFC is entitled to collect a minimum fee of \$5,000 from revenue generated by sales. In the event a sale generates \$5,000 or less in revenue, TFC is entitled to all revenue from that particular sale and subsequent

sales until the \$5,000 minimum fee is generated. TFC will collect a fee of 20% on all subsequent revenue after the first \$5,000.

- (b) Expenses. TFC may recoup its actual third-party out-of-pocket expenses that may not exceed the sum of one thousand dollars (\$1,000) unless otherwise approved by PC in writing (via email to orly@thefilmcollaborative.org).

7. Payments. All sales contracts relating to the Picture will be between PC and the buyer(s) and all payments due to PC will be invoiced for by PC and paid to PC. Within fifteen (15) days following PC's receipt of any flat fee or minimum guarantee payments in connection with any executed deal for the Picture generated, originated or referred by TFC, PC shall pay to TFC TFC's commission for such any deal as set forth in Section 5(a) above. All other payments due to TFC shall be paid to TFC by PC on a quarterly basis, no later than thirty (30) days after each calendar quarter. TFC may direct a buyer to remit the initial TFC Sales Fee to TFC directly.

8. Accounting & Audit: PC shall report and account to TFC on a standard quarterly basis as defined below and shall remunerate all sums due PC within forty-five (45) days from the end of each quarter. All payments due to TFC hereunder will be rendered in U.S. dollars. PC agrees to keep accurate books and records with respect to the revenue of the Picture related to this Agreement. Upon reasonable advance written notice (in no event less than thirty (30) days) for up to two (2) years following the end of this Agreement, TFC may, at its sole expense, directly audit or appoint a certified public accountant to audit applicable books and records at PC's principal place of business for the sole purpose of verifying the amounts due hereunder. Such audit must take place during regular business hours and may not occur more than once in any twelve (12) month period. In the event the audit reveals an underpayment with respect to any accounting period ("**Shortfall**"), PC shall immediately pay TFC the amount of Shortfall. In addition, if any such Shortfall is more than five percent (5%) of the total amount actually payable to TFC with respect to such accounting period (including the Shortfall) but in no event less than \$5,000 USD, then PC shall reimburse TFC for the reasonable costs of such audit.

9. Representations & Warranties. PC represents and warrants to TFC that (a) PC has the full right, power and authority to enter into and perform this Agreement, and (b) PC is solely responsible for all union and guild dues and obligations, royalties, net profits and clearances associated with the Picture.

10. Indemnification. Each Party will indemnify the other Party and its employees, agents, representatives, officers, directors and attorneys (collectively, the "**Indemnitees**") for any claims, losses, liabilities, damage, expense, settlement, or judgment, including reasonable attorney's fees and court costs (collectively, "**Claims**"), that the Indemnitees may incur by reason of the first Party's breach of any of its representation, warranty or obligation contained in this Agreement. PC hereby indemnifies and holds TFC harmless with respect to any copyright, trademark, contract, tort or any other claims in connection with the Picture.

11. Applicable Law / Dispute Forum: This Agreement is and will be deemed to have been executed and delivered within the State of California, and the rights and obligations of the Parties hereunder must be construed and enforced in accordance with, and governed by, the laws of the State of California, without regard to the conflicts of law principles thereof. The Parties further agree to adjudicate any disputes, whether in equity or for damages at law, in the courts (state or federal) located in the venue of Los Angeles County, California, and hereby submit to the jurisdiction thereof. Each of the Parties hereto irrevocably consents to the service of any process, pleading, notices or other papers

