

sales agreement.

THIS SALES AGREEMENT (this "Agreement") is made this [_____] day of [_____], 2013, by and between **THE FILM COLLABORATIVE INC.**, a California non-profit corporation (hereinafter "TFC"), located at 3405 Cazador Street Los Angeles CA 90065, and [_____] a [_____] (hereinafter "Production Company" or "PC"), located at [_____]. 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 [_____] (hereinafter referred to as the "Picture"), 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 (such activities shall be referred to herein as "Sales Services"). TFC shall update PC on any interest and/or offers from buyers for the Picture communicated to TFC. PC shall 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. 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 shall have no liability with respect to: the delivery of such materials, any rights licensed, and any distribution of the Picture.

3. Territory. The Universe **excluding:** [_____] (the "Territory"). TFC shall adhere to any restrictions PC places on TFC due to [_____] distribution of the Picture.

4. Term. Ten (10) years (the "Term") from the date of mutual execution of this Agreement and expiring on [_____]. Notwithstanding the foregoing, PC may terminate this Agreement within the first two (2) years of the Term if TFC materially breaches the Agreement and after the last day of the first two (2) years of the Term prior to such expiration date for any reason by providing written notice to TFC at least thirty (30) calendar days 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. The Term start date is _____ 2013.

5. Compensation.

- (a) For Sales Services. In connection with TFC's Sales Services, unless otherwise agreed in writing mutually between the Parties, TFC shall be due a commission equal to fifteen percent (15%) of any flat fees paid or minimum guarantee payments and of any and all subsequent back-end revenues from any executed deals for the Picture which are generated, originated or referred by TFC (hereinafter "TFC Sales Fee"). For any deals that are part of the FestSelects initiative the TFC Sales Fee shall be equal to ten percent (10%) of any flat fees

paid or minimum guarantee payments and of any and all subsequent back-end revenues from any executed deals for the Picture.

- (b) Expenses Requiring PC's Approval. TFC shall not be due any reimbursement for expenses above \$5,000 that are not approved in advance in writing by PC. The Parties agree that TFC may recoup up to \$5,000 in expenses that shall be discussed in good faith between the Parties (hereinafter "Approved Expenses").
- (c) Any other fees related to festival, direct digital or any category distribution, if any, shall be mutually agreed to in a separate agreement and are not governed by or included in this Agreement.

6. Payments & Accounting. All sales contracts relating to the Picture shall be between PC and the buyer(s) and all payments due to PC shall be invoiced for by Production Company shall be paid to Production Company. 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. Any payments received by TFC but due to PC shall be paid by TFC on a quarterly basis, no later than thirty (30) days after each calendar quarter.

7. 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.

8. 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 and clearances associated with the Picture and E&O insurance for the Picture if required.

9. Waivers. No failure or delay by any Party in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

10. Interpretation. No provision of this Agreement will be interpreted in favor or, or against, any of the Parties hereto by reason of the extent to which any such Party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

11. Applicable Law. This Agreement shall be deemed to have been executed and delivered within the State of California, and the rights and obligations of the Parties hereunder shall 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.

12. Arbitration. The Parties shall first attempt to settle any Claim by agreement. If the Parties are unable to settle any such Claim within a reasonable time period, said Claim is to be arbitrated in accordance with the terms of this Section 12. Subject to the foregoing, any claim or controversy arising out of or related to this Agreement, including the issue of arbitrability of any such Claim, shall be resolved solely and completely by mandatory, final, binding, and non-appealable arbitration, conducted in Los Angeles, California by IFTA, pursuant to its then-effective rules. Reasonable discovery will be allowed in the arbitration, consistent with both the facts of the alleged dispute and the procedural rules of the tribunal. The costs of the arbitration including, among other

