

## FINANCING AGREEMENT

The following agreement (the “**Agreement**”), dated as of \_\_\_\_\_, 2019, sets forth the understanding between Flower Street Docs LLC (“**Producer**”), on the one hand, and \_\_\_\_\_ (“**Financier**”), on the other hand, in connection with Financier’s provision of funds to Producer for the purpose of producing, completing and delivering the motion pictures presently entitled “Meme Gods” and “When We Went MAD!” (the “**Pictures**”), which will be produced by Producer. For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

### 1. Financier Funds.

- 1.1 Subject to the terms and conditions of this Agreement, Financier agrees to provide Producer with \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) (the “**Financier Funds**”), which Financier Funds will be applied toward the production budget of the Pictures.
- 1.2 Financiers that contribute to the first \$250,000 of the offering (the “**Early Bird Financier Funds**”) will be designated as (“**Early Bird Financiers**”).
- 1.3 Financiers that contribute \$3,000 or more to the offering (the “**Large Financier Funds**”) will be designated as (“**Large Financiers**”).
- 1.3 Producer will be responsible for securing the remainder of the budget for the Pictures from additional equity financing contributions (the “**Additional Equity Funds**”) and other sources (e.g., crowdfunding revenues, loans, etc.) (together, the “**Additional Funds**”) from third party equity financiers (the “**Additional Equity Financiers**”) and other sources (together, the “**Additional Financiers**”).

### 2. Adjusted Gross Proceeds.

2.1 Adjusted Gross Proceeds (as defined in Paragraph 2.2 below) shall be allocated as follows:

(i) First, one hundred percent (100%) of Adjusted Gross Proceeds shall be paid to Financier, Early Bird Financier, Large Financier, and the Additional Equity Financiers on a pro rata (based on the ratio that their respective financing contributions bears to the aggregate of the Early Bird Financier Funds, Financier Funds, Large Financier Funds, and the Additional Equity Funds) and pari passu basis until such time, if ever, as Early Bird Financiers have received an amount equal to one hundred twenty percent (120%) of Early Bird Financier Funds and the Financier has received an amount equal to one hundred fifteen percent (115%) of the Financier Funds, Additional Equity Financiers have received an amount equal to one hundred fifteen percent (115%) of the Additional Equity Funds, and Large Financiers have recouped an amount equal to either one hundred twenty percent (120%) or one hundred fifteen percent (115%) of the Large Financier contributions, depending on the timing of their contribution; and

(ii) following such time, if ever, as Early Bird Financier has recouped an amount equal to one hundred twenty percent (120%) of the Early Bird Financier Funds and Financier has recouped an amount equal to one hundred fifteen percent (115%) of Financier Funds and the Additional Equity Financiers have recouped an amount equal to one hundred fifteen percent (115%) of the Additional Equity Funds, and the Large Financiers have recouped an amount equal to either one hundred twenty percent (120%) or one hundred fifteen percent (115%) of the Large Financier contributions, depending on the timing of their contribution, then any remaining Adjusted Gross Proceeds shall be referred to as “**Net Proceeds**”, and shall be paid as follows: (a) fifty percent (50%) to Producer (“**Producer’s Net Proceeds**”); and (b) fifty percent (50%) to Early Bird Financiers, Financiers, Large Financiers, and the Additional Equity Financiers on a pro rata (based on the ratio that their respective

financing contributions bears to the aggregate of the Early Bird Financier Funds, Financier Funds, Large Financier Funds, and the Additional Equity Funds) and pari passu basis. After Early Bird Financiers are paid up to one hundred fifty five percent (155%) of Early Bird Financier Funds then they are entitled to no additional net proceeds. After Financiers and Additional Equity Financiers are paid up to one hundred fifty percent (150%) of Financier Funds and Additional Equity Funds they then are entitled to no additional net proceeds. Large Financiers have no cap on the additional net proceeds they are entitled to. All third-party participations in Net Proceeds (other than those payable to Additional Financiers) shall be borne out of Producer's share of Net Proceeds.

2.2 As used herein, "**Gross Proceeds**" shall mean any and all amounts, including nonrefundable advances, received by Producer from the exploitation of the Pictures and all elements thereof and all rights therein, in any and all manner and media, merchandising or from any other sources derived from the Pictures, now known or hereafter devised, worldwide, in perpetuity. Notwithstanding anything to the contrary contained in this Agreement: (a) if a distributor(s) of the Pictures pays for the costs of deliverables, such amounts shall not be included in Gross Proceeds; (b) any amounts used to fund production costs of the Pictures shall not be included in Gross Proceeds; (c) any advance received from a record company in connection with a soundtrack album for the Pictures shall be included in Gross Proceeds only to the extent that such advance is not used to pay music or other production costs; and (d) tax credits or other tax incentives received in connection with the production of the Pictures shall be included in Gross Proceeds only to the extent not used to repay financiers providing financing secured by such tax credits or incentives or used to directly fund production costs of the Pictures. "Adjusted Gross Proceeds" shall mean Gross Proceeds remaining after deduction of the following: (i) third party sales agent and producer representative fees and expenses; (ii) actual, third party, out of pocket amounts incurred by or on behalf of Producer in connection with the sale, marketing, licensing, delivery, distribution and/or exploitation of the Pictures; (iii) ongoing third party accounting costs and expenses actually incurred by or on behalf of Producer in connection with the processing of payments to profit participants (including, without limitation, collection agent fees and expenses), and audit costs; (iv) actual, third party, out of pocket expenses incurred by or on behalf of Producer in connection with the ongoing ownership of the Pictures (e.g., costs incurred in connection with the preservation and storage of negatives and master prints of the Pictures and any expenses incurred in connection with the copyrighting of the Pictures); (v) actual, third party, out of pocket expenses incurred in connection with the existence and management of Producer (e.g., taxes, accounting fees, filing fees, etc.); (vi) any residual and/or pension, health and welfare payments paid to guilds or guild members in accordance with the agreements between Producer and the applicable guild with respect to the Pictures (to the extent not assumed by the distributor(s) of the Pictures); (vii) any amounts required to be withheld by law; (viii) payments pursuant to music licensing "step" deals which require additional payments based on the performance of the Pictures; (ix) any actual, third party, out of pocket costs incurred by or on behalf of Producer or its affiliates in connection with enforcement of Producer's rights in the Pictures, including, without limitation, actual, direct, out-of-pocket accounting, legal and auditor fees and expenses; (x) any amounts used to repay loans received in connection with the production of the Pictures; (xi) any deferred compensation and bonuses (e.g., box office bonuses, award bonuses) payable to parties rendering services in connection with the Pictures (to the extent not assumed by the distributor(s) of the Pictures); (xii) any amounts paid to the completion guarantor of the Pictures (if any) in repayment of sums advanced by such completion guarantor; and (xiii) any reasonable reserve amounts, as determined by Producer in its good faith business judgment, required to cover anticipated future costs or liabilities, provided that such reserve amounts shall be liquidated every twelve (12) months. It is understood that Producer makes no representations or warranties as to the amount of Gross Proceeds, if any, that Producer will receive from the exploitation of the Pictures.

3. Copyright. As between Producer and Financier, Producer shall own all rights, including copyrights, pertaining to the Pictures throughout the world and any renewals and extensions thereof. For

the sake of clarity, Producer shall have the right to assign its rights in the Pictures, in whole or in part, to third parties, in Producer's sole discretion.

4. **Risk of Investment.** Financier acknowledges the following: (i) there can be no assurance that any Additional Funds will be obtained; (ii) there can be no assurance that the Pictures will be completed or that if completed that the Pictures will be released or distributed; (iii) there can be no assurance that the Pictures will generate any revenues (including without limitation Gross Proceeds) or that any such revenues will be sufficient to return to Financier all or any part of the Financier Funds; (iv) investments in the motion pictures industry involve a high degree of risk; and (v) all other risks of investment set forth in the Company's Form C Offering Statement, a copy of which has been made available to the Financier.

5. **Control.** As between Producer and Financier, all business and creative decisions with regard to the Pictures shall be made solely by Producer.

6. **Financier's Representations, Warranties and Indemnities.**

(a) Financier hereby represents and warrants that: (i) Financier has the full right and authority to enter into this Agreement and to perform its obligations contained herein; (ii) Financier has not made or assumed and will not hereafter make or assume any commitment, agreement or obligation that will or might (as reasonably foreseeable) conflict with or impair Financier's ability to perform its obligations hereunder; (iii) Financier has read and evaluated the merits and risks of the prospective investment in the Pictures (including those described in Paragraph); (iv) Financier has obtained, to the extent Financier deems necessary, Financier's own personal professional advice and counsel with respect to the risks inherent in this investment, tax or other economic considerations in this investment, and the suitability of the investment in light of Financier's financial condition and investment needs; (v) Financier and/or Financier's advisors (if any) has/have been afforded full opportunity to conduct a due diligence investigation of the facts and circumstances relating to this investment, including (but not limited to) asking all questions of Producer necessary in order to make an informed decision; (vi) to the extent that Financier and/or Financier's advisors conducted a due diligence investigation, Producer fully cooperated with the investigation to Financier's satisfaction; (vii) except as set forth above, Financier has relied solely on the information contained in this Agreement, and Financier has neither relied on, nor is relying on, Producer with respect to tax or other economic considerations involved in this investment; and (viii) Financier has no intention of selling or otherwise transferring or assigning Financier's interest in this production as set forth herein, and that Financier is acquiring such interest for investment purposes only and not with a view to the resale or distribution thereof.

(b) Financier shall indemnify, defend (at Producer's election), and hold harmless Producer from and against any and all claims, damages, liabilities, costs and expenses, including reasonable outside attorneys' fees and disbursements, arising out of any breach or, in the case of a third party claim, alleged breach, of any representation, warranty, covenant or agreement made by Financier herein.

(c) The provisions of this Paragraph 6 will survive termination of this Agreement.

7. **Producer's Representations, Warranties and Indemnities.**

(a) Producer hereby represents and warrants that Producer has the full right, power and authority to enter into this Agreement.

(b) Producer shall indemnify, defend (at Financier's election), and hold harmless Financier from and against any and all claims, damages, liabilities, costs and expenses, including reasonable outside

attorneys' fees and disbursements, arising out of any breach or, in the case of a third party claim, alleged breach, of any representation, warranty, covenant or agreement made by Producer herein.

(c) The provisions of this Paragraph 7 will survive termination of this Agreement.

8. Publicity. Financier shall not have the right to issue any press releases or any other publicity with regard to the Pictures.

9. Assignment. Financier shall not have the right to assign its rights or obligations hereunder and any purported assignment shall be null and void.

10. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be sent by Federal Express, DHL or other recognized international courier service or by facsimile or electronic transmission and shall be effective the earliest of (a) actual receipt, or (b) on the third business day after dispatch by Federal Express, DHL or other recognized international courier service, or (c) the next business day after such notice shall have been given by facsimile transmission with electronic answerback confirmation or electronic transmission. A "business day" shall mean any weekday (i.e., Monday through Friday) during which banks are generally open in both the U.S. Until otherwise specified by written notice, the addresses for any such notice shall be as first set forth above, with a copy of notices to Andrew L. Galker, 1925 Century Park E, 22<sup>nd</sup> Floor, Los Angeles, CA 90067.

11. Miscellaneous.

(a) It is expressly understood, agreed and covenanted that the parties do not by this Agreement intend to form an employment relationship or a partnership or joint venture between them, and in no event shall this Agreement be construed to constitute such an employment relationship, partnership or joint venture. This Agreement is not for the benefit of any third party and shall not be deemed to give any right or remedy to any third party, whether referred to herein or not.

(b) The paragraph and other headings contained in this Agreement are for reference purposes only and shall not be deemed to be a part of this Agreement or to affect the meaning or interpretation hereof.

(c) Each party hereto shall keep secret and retain in the strictest confidence and shall not disclose to any third party any of the terms of this Agreement, except as required by law or to enforce its rights hereunder or to its attorneys and accountants, and either party may disclose the terms of this Agreement to any prospective purchaser of a direct or indirect interest in such party or the assets of such party, and Producer may disclose the terms hereof to the financiers and distributors of the Pictures.

(d) This Agreement shall be governed by the laws of the State of California applicable to agreements entered into and wholly performed therein without regard to its choice of law provisions, and each party hereby consents to the exclusive jurisdiction of any state or federal court located in the State of California, County of Los Angeles to hear disputes arising out of this Agreement, and agrees that venue therein is proper and convenient.

(e) This Agreement embodies the entire understanding of the parties hereto and supersedes and replaces all other agreements (written and oral) between the parties relating to the subject matter hereof, and no change, modification or amendment will be valid or effective unless in writing and signed by both parties.

(f) In the event that Financier should determine to seek any recourse, action or claim to

which it may be entitled under or by reason of this Agreement, it hereby agrees that any such recourse, action or claim shall extend only to Producer and not to any of Producer's owners, shareholders, partners or members.

(g) Financier agrees that under no circumstances shall Financier have the right to rescind, terminate or enjoin the exploitation of the Pictures by, or interfere with any rights granted to, any distributor or licensee under any agreement entered into by Producer (or in Producer's name).

(h) In the event that there is any conflict between (i) any provision of this Agreement and (ii) any statute, law, or regulation, the latter (set forth in subpart (ii)) shall prevail; provided, however, that in such event the provision of this Agreement so affected shall be curtailed and limited only to the minimum extent necessary to permit compliance with the minimum requirement, and no other provision of this Agreement shall be affected thereby and all other provisions of this Agreement shall continue in full force and effect.

(i) This Agreement may be executed simultaneously or in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile or scanned electronic signatures shall have the same force as original signatures.

The foregoing reflects our understanding of the essential terms of our agreement, and this Agreement will serve as a binding agreement between us.

\_\_\_\_\_  
By: \_\_\_\_\_  
Authorized Representative

[FINANCIER]

By: \_\_\_\_\_  
Authorized Representative