

Global Funding Solutions

468 N. Camden Dr. Suite 305

Beverly Hills, Ca 90210

Phone: (310)860-7510 FAX: (310)358-9960

Entertainment and Film Financing Agreement

Dear Client: Please read the enclosed carefully. After your free initial telephone consultation and approval we will proceed in accordance with the following two options which are available to you which we need you to FAX back. If you select Option 2 we will quote an initial retainer fee to you based on our estimate of work to be performed after our free consultation. We look forward to obtaining your funding accordingly.

A) Disclaimer:

The entertainment industry is marked by numerous assumptions, expectations, personal opinions and misconceptions regarding the prospects of obtaining funding for a given project. As a result please take a few minutes to read the two following options for funding your request. We are available for in person and/or telephone consultations at our hourly rate after your free fifteen minute consultation if you decide to “think it over” and/or investigate other options which may be available to you. Neither of the following options should be construed as a guarantee that we and/or any of our affiliate lenders and/or investors can fund your project. Please select either option so we may commence work on your financing request.

B) Designated Parties: The parties to this Agreement are Global Funding Solutions a California business consulting, loan and entertainment financing consulting company located at 468 N. Camden Dr., Suite 305, Beverly Hills, California 90210 (hereinafter referred to as “Global”) and the business entity and the Principal of this entity or individual applying for financing jointly and severally (hereinafter referred to as the “Client”). Global and the Client are collectively referred to herein as the “Parties” to this Agreement.

Option 1:

Global represent specific finance groups, to whom we are correspondent and with whom we will be reviewing your transaction. Based upon the representations that have been made to us by you and subject to further review and “due diligence” of the required documentation our funding sources should be able to fund your transaction.

Should you elect this option and investor group that we represent will arrange for the guarantee of 85% of the total loan amount and will in return receive 35% equity in your film project. Any current equity value of your project prior to this transaction occurring will not be considered with respect to the investor groups 35% equity position. The investor group will typically guarantee 35% of the loan themselves and will syndicate 50% using other companies who are going to benefit from the closing of this transaction and will therefore consider guaranteeing a small portion of the facility. These other companies that will be called upon to post a guarantee of as

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little as 3 to 10% each could be comprised of as few as one or two entities or perhaps several different companies. Clearly they would have to be sources that stand to benefit handsomely from the completion of this transaction and thus would therefore consider such an arrangement. The principals of the investor group are expert at arranging such a relationship and will naturally enlist your assistance in same. Your company will be required to guarantee the remaining 15% of the loan with some form of a bankable guarantee such as a letter of Credit (LC). When the loan has been paid back you will be able to take back your 15% letter of credit and during the term of the loan you will receive the interest paid on the LC. Once the due diligence is completed and the investor group has arranged for the syndication of the guarantees, they will also arrange to bring in a major insurance company to provide the funding against this now 100% guaranteed loan. The loan will be structured as a 5 to 10 year credit facility and is typically priced at prime plus half of 1% to prime plus 1%. You will be required to pay for the costs of the lenders due diligence in connection with the closing of this transaction. The investor group will receive 2.5 points on the loan amount as an administrative fee, Global Financial Services will receive 2.5 points, and the insurance company that provides the insurance wrap will receive an annual 2.5 point fee for providing same. The insurance wrap assures the lender that should one of the guarantors go out of business that the 100% guarantee will remain in place. The investor group that structures the guarantee will be a silent financial partner and can be bought out at any time. They will generally require that you pay them approximately \$20,000 per month during the 60 to 90 day due diligence period to be credited against their 2.5% closing fee.

These payments are in addition to any other costs to you for third party reports, appraisals etc. they may be necessary as part of the due diligence to close the transaction. It is important to note that prior to you engaging the investor group to close this transaction you will have the opportunity to spend several hours with their principals in their New York offices so that both sides can fully explore all issues concerning the proposed funding project.

If you wish to proceed with this option we will need the following:

- 1. A 1 to 3 year projection showing anticipated revenue and net income reflecting the infusion of the loan in new capital.**
- 2. A specific breakdown of how the loan will be utilized**
- 3. A demonstration of your ability to guarantee presales of 30% on your project. Presales refer to the practice of licensing all or certain rights to a film project before it is produced, or while in the process of being produced.**
- 4. A listing of what distribution agreements you already have in place**
- 5. A statement of what your production group's equity contribution to the film's actual production will be.**

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Option 2:

As an alternative, we will attempt to secure funding for the Client via qualified venture groups and small business investment companies that provide equity financing thorough the United States. We also represent a large number of private investors and venture groups that may also be able to finance your company's growth. These equity groups have different levels of interest depending upon the characteristics of the transaction (ie. industry type, geographic location, amount of financing requested, etc.) The percentage of equity ownership the funding source will require will be relative to the amount of financing your are requesting, is subject to the investors due diligence and a review of the capital structure of your company. We can present your transaction to qualified investor groups based on the funding size, industry and geographic considerations an well as taking into account the specific use of the proceeds and current company capitalization. Once retained we will begin our formal representation of your company with respect to the structuring of new equity funding. The amount of the advance retainer is usually in the range of \$5,000 to \$15,000, is non-refundable should you not accept the financing or it is not granted. The same documentation (See Option 1, Items 1-5) are required. If funding is granted and accepted by you then the retainer will be credited towards closing fees. All loan or investor fees due Global are payable at closing of funding via wire transfer or cashier check by the funding source with the Client and/or Principal jointly and severally liable for any possible deficiencies in the event that Global is not paid.

C) Term of Agreement and Conditions:

- 1) The Parties hereby grant Global the exclusive rights to obtain financing for the designated project herein as stated for twenty-four month term from the date of execution of this Agreement and shall automatically renew for another one year term unless the Client notifies Global in writing by facsimile or e-mail at least thirty days prior to expiration of the initial term. If the Cliient or Principal elects to enter into any agreement(-s) for financing with any financing sources introduced by Global and/or Global's affiliated parties or through the efforts of Global during the term of this Agreement after date of termination of this Agreement for a period up to sixty months thereafter then Global shall be entitled to all fees and revenues as if such financing was procured prior to date of termination.
- 2) I hereby understand and have reviewed the above-referenced Options with my associates and advisors and select **Option 1** _____, **Option 2** _____. I understand that due to the complex nature of the film industry funding cannot be guaranteed. I agree to cooperate with all reasonable requests for documentation requested by the investors. All financial and related documentation to be forwarded to financial institutions is true and correct to the best of my knowledge. I authorize Global and/or any lender or funding source to obtain my consumer credit reports. I understand that all retainers and any advance fees required including overnight travel expenses if needed that are remitted to Global are non-refundable.

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D) Confidentiality, Non-Circumvention and Non-Disclosure:

All terms, conditions and business transacted in connection with the enclosed Agreement is confidential between the Parties and all Parties hereby agree not to circumvent nor disclose the contents of same to any outside parties who are not a party to this intended transaction unless authorized in writing by Global. It is further agreed that that the Client, Principal and/or any affiliated friends, businesses, companies or entities associated with the Client shall not at a later date up to sixty months from date of termination transact any financing on any film and/or entertainment projects with any of Global's business contacts, lenders or investors that are obtained from Global during the term of this Agreement. The following terms and conditions also apply:

1. The Client, Principal and/or Client's related party(ies) will immediately inform Global of any possible future intentions to contact and/or enter into any agreements or negotiations with any lenders and/or investors, producers, directors, individuals or companies obtained directly by Global or indirectly via Global's efforts during the term of this Agreement.
2. Neither the Client nor any of Client's above-referenced affiliated parties will do business with Global's sources during the term of this Agreement without the written authorization of Global along with compensation to Global to be arranged with applicable party or parties. If the Parties cannot agree on compensation then Global reserves the right to terminate this Agreement by written notice via facsimile or e-mail to the Client and/or Principal with all rights and fees due as stated herein.
3. The Client and Principal agree to keep Global diligently informed of the status of all ongoing negotiations with the lender(s) and/or investors obtained through the efforts of Global and/or any affiliated party working with Global to secure requested financing. The Client shall upon demand by Global furnish within twenty-four hours copies of all written communications with all funding sources obtained through Global's efforts including but not limited to facsimile copies, e-mails, letters, legal documents, funding approvals or declines, accountings, brochures, DVD or computer media information and/or any information pertaining to the enclosed funding or related matters covered under this Agreement.

This Agreement is governed and construed under the laws of the State of California, Los Angeles County as exclusive jurisdiction for all legal claims and exclusive venue for same. In the event that either party elects litigation to enforce the terms of this Agreement the prevailing party in any such litigation shall be entitled to recover all court costs and attorney fees from the other party. The Client understands this Agreement and has had sufficient time to review it with all parties and/or their legal advisor in connection with same. This Agreement may be approved in duplicate and by facsimile copy with all copies having the same effect as the original. If any part

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of this Agreement shall be determined unenforceable by a court of competent jurisdiction all remaining parts shall remain unaltered and in force. If the Client forms any LLC, corporation or outside business entity to receive funding then all terms and conditions herein shall be binding upon the designated entity. The Client shall not assign its duties and obligations herein to any outside party without the written consent of Global.

E) Fees Due Global:

The following loan or investor fees are due Global at the closing of all funding obtained on all lump sum and/or incremental financing secured:

Financing Amount US Dollars: Loan or Investor Fee Percentage on Financed Amount:

Up to 500,000	8.95
500,001- 5,000,000	7
5,000,001 – 10,000,000	6
10,000,001 – 14,000,000	5.5
14,000,001 – 22,000,000	5
22,000,001 – 35,000,000	4.5
Over 35,000,000	4

Accrued Financing: All accrued incremental financing is calculated at the lowest percentage on the total accrued financing retroactive to initial funding.

F) Termination: The terms of this Agreement shall remain in force until financing is achieved or any of the following applies:

- 1) Global shall not terminate this Agreement unless the Client or Principal violates the terms and conditions herein and refuses to correct the defect and/or provide the documentation upon three days of written notice by facsimile, e-mail, US mail or overnight delivery.
- 2) The Client may terminate this Agreement upon thirty days written notice to Global by facsimile, e-mail or overnight delivery. If the Client or Principal terminates this Agreement, refuses to accept financing approved, misrepresents information to Global, and/or funding sources, or simply changes his mind about proceeding with financing with Global during the term of this Agreement then Global shall have the right to terminate the Client or submit to Client's termination and bill the Client and Principal jointly and severally 2% of (the total requested funding amount requested in Paragraph 5 minus the total funding received) as liquidated damages and as an account management and consulting fee for Global's efforts to secure financing to date of termination. Payment is due within three days of receipt of a final invoice from Global via facsimile or e-mail or overnight carrier.

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G) Description of Project: (Please print or type information – Attach additional page if needed)

Title of Project : _____

List Requested Funding through Global in US dollars: _____

List and Describe Any Financing Received to Date:

I understand and Agree to the Above terms and conditions and hereby certify that all information enclosed is true and correct to the best of my knowledge and belief:

Company Name (Print)
(the Client)

(Dated)

Principal (Print Name and Title)

(Dated)

Signature of Principal (As an individual and
On behalf of the Company)

(Dated)

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I certify the above is true and correct to the best of my knowledge and belief and I authorize Global and/or its investors /or lenders to obtain a consumer credit report on myself:

Signature of Principal

Dated

Print Name

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