



# The Basketball Movie, LLC

*"A Story of Loss and Faith"*

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www.thebasketballmovie.com

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## FILM FINANCING AGREEMENT

This Film Financing Agreement ("Agreement") is entered into as of \_\_\_\_\_ by and between The Basketball Movie LLC, a South Carolina limited liability company (herein "LLC") and \_\_\_\_\_ (herein "Investor"), with reference to the following:

WHEREAS, the LLC has been established to produce, own, and exploit Motion Picture(s) based on the script known as "The Basketball" (herein "Project"); and the Investor's desire to invest in and share in the profits of the Project, including without limitation profits derived from the Project's exploitation in any and all media, the Project's related subsidiary and ancillary rights, such as the right to synopsise the Project for promotion or advertising; remake, and all soundtrack, score, and music rights.

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. CONTRIBUTIONS - The Investor shall make the contribution for the Project in the amount of \_\_\_\_\_ in U.S. funds, payable pursuant to the terms and conditions contained herein.

2. INTEREST - Contributions shall be considered an "at-risk" investment and are provided at no interest due and no specific date(s) by which distributions may or will be made.

3. INVESTOR DISTRIBUTIONS - Investor shall receive all distributions in U.S. dollars annually within three months of the close of the fiscal year, unless otherwise noted. LLC reserves the right to make more frequent distributions at its own sole discretion.

3.a. INITIAL DISTRIBUTION - The initial distribution compensation will be in the amount of the original investment, handled in a first in / first out basis, upon the adequate attainment of the necessary revenue from the Project. Should Investor provide the funds prior to any other investors, Investor shall be considered in **SECOND** position under this contract.

Initial Distributions will be disbursed in their entirety, or the highest attainable portion thereof, in order of investor positions after all production, distribution, and print/advertising expenses have been paid as well as any reasonably anticipated operating expenses. "Production, distribution, and print/advertising expenses" shall include, but not be limited to: All deferred pay and similar agreements, outstanding loans, liens, taxes, talent and crew commissions or royalties, theater or distributor fees or commissions, and all local, state, and federal fees or other liabilities.

3.b. EQUITY DISTRIBUTION - Investor shall be considered to have Economic Equity within the Project. The Investor's percentage out of the pool of investors will be equivalent to their individual investment percentage in comparison to the "Final Production Budget"; that percentage to be paid out of 49% of the net profits of the LLC; the LLC retaining 51% equity. The "Final Production Budget" shall include, but not be limited to, all production and post production related expenses, deferrals or other outstanding liabilities, and any other relevant expense or equity claims.

All equity distributions will be disbursed from the Project's "Net Profits", which, for purposes of this section 3.b., shall be defined as the amount of monies remaining after every and all expenses have been deducted, including, but not limited to all Print and Advertising expenses, distributor agreements, "finder's fees", actual and anticipated operating expenses, any talent and crew royalties, etc.

LLC reserves the right to be the sole decision-maker as to what calculation methods to use and how distributions shall be paid.

4. ASSIGNMENTS / TRANSFERS - Both the LLC and Investor shall have the right to sell, bequeath, offer as a gift or contribution, or otherwise transfer to another individual, group, company, corporation, or entity, their properties and rights within this agreement. Such assignments or transfers may be made in whole or in part and must be made in writing and either notarized or have other legal verification as in a proxy arrangement or in a will.

Assignees and Transferees shall be bound by the terms of this agreement.

5. INVESTOR RIGHTS / OBLIGATIONS - By entering into this agreement, Investor acknowledges, understands, and agrees to the following:

That the distributions evidenced by this Agreement constitute "securities" which have not been registered under the Securities Act of 1933, as amended, 15 U.S.C. § 15b et seq., any South Carolina State Security Laws, or any other state securities laws (the "Securities Acts"), because the LLC is issuing these securities in reliance upon the exemptions from the registration requirements of the Securities Acts providing for issuance of securities not involving a public offering;

That LLC has relied upon the fact that the distribution rights are to be held by each Investor for its own investment account; and that exemption from registration under the Securities Acts may not be available if the distribution rights were acquired by an Investor with a view to distribution.

Therefore, such Investor is receiving the distribution right for the Investor's own account, for investment and not with a view to the resale or distribution thereof.

Before making an investment, such Investor has investigated the LLC and its business, and the Project, and such Investor has had made available to it all information necessary for the Investor to make an informed decision to make the investment. Such Investor considers itself to be a person possessing experience and sophistication as an investor adequate for the evaluation of the merits and risks of contributions.

Each Investor hereby certifies that such person is an "accredited investor" as defined under Regulation D of the Securities Act of 1933, as amended.

Each Investor acknowledges that (a) the LLC has no operating history from which to evaluate the business and prospects of the LLC, the Project, or the investment, (b) the business of film production involves a high degree of risk, and is subject to the influence of numerous factors which are outside of the control of the LLC, and (c) such Investor may lose the entire value of its investment if the Project cannot be completed or is not commercially successful.

Investor shall agree to keep all information received in the highest confidence. Investor agrees to forward all press and other inquiries about Project or LLC or any elements related to such, to LLC for proper response and representation.

Investor shall be accredited with proper and customary "Producer" credit within the Project as determined by the level of contribution.

Investor will have no voting power and will have no authority over the creative process although LLC will often ask for opinions and input. Asking for or receiving such opinions or input will, in no way, negate or otherwise invalidate LLC's authority over the Project or its creative or administrative processes.

Investor shall have first option to invest in any of the Project's sequels and prequels provided that such sequels and prequels are produced by LLC. Investor shall agree that exercising such option must be executed in a timely and legally binding manner. Investor understands and agrees that exercising such option does not obligate LLC or any of its affiliates to exclusively use such Investor as the only source of contributions should such contributions not be deemed sufficient to adequately complete and promote the sequels or prequels. This agreement shall be deemed to govern all such subsequent options.

6. PUBLICITY - After the date hereof, except as may be otherwise mutually agreed between the parties or as required by applicable law, rule, regulation or court order or decree, the parties shall keep this Agreement and its provisions confidential except as reasonably necessary for performance hereunder; provided, however, if LLC reasonably determines that the issuance of a press release or other disclosure is required under federal or state securities laws, LLC shall be permitted to issue such press release and/or provide such disclosure.

7. GOVERNING LAW - This Agreement shall be governed by and construed under the laws of the State of South Carolina as such laws are applied to contracts entered into and performed entirely within South Carolina.

8. EXECUTION IN COUNTERPARTS - This Agreement may be executed in one or more counterparts, which may be delivered by facsimile, email, or other valid forms of delivery, each of which shall be considered an original instrument, but all of which shall be considered one and the same Agreement.

9. SEVERABILITY / NON-WAIVER - In the event that any of the terms, conditions or provisions of this Agreement is held to be illegal, unenforceable or invalid by any court of competent jurisdiction, the remaining terms, conditions or provisions hereof shall remain in full force and effect. The failure or delay of either party to enforce at any time any provision of this Agreement shall not constitute a waiver of such.

10. BINDING EFFECTS - Except as otherwise provided in this Agreement, every covenant, term and provision of this Agreement shall be binding upon and inure to the benefit of all the parties to this Agreement and their respective heirs, legatees, legal representatives, successors, transferees and permitted assigns.

11. ENTIRE AGREEMENT - This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof, and fully supersedes any and all prior agreements or understandings between the parties hereto pertaining to the subject matter hereof.

12. COUNSEL TO LLC - Legal counsel to the LLC is also legal counsel to the Managing Members. The Managing Members may execute on behalf of the LLC any consent to representation of the LLC that legal counsel may request pursuant to South Carolina Law or similar rules in any other jurisdiction (the "Rules").

Investor acknowledges that legal counsel to the LLC does not represent any Investor in the absence of a clear and explicit written agreement to that effect between the Investor and legal counsel to the LLC, and that in the absence of such agreement, legal counsel to the LLC shall owe no duties directly to that Investor.

If any dispute or controversy arises between any Investor and the LLC, or between any Investor and the Managing Members of the LLC, legal counsel to the LLC may represent either the LLC or the Managing Members, or both, in any such dispute or controversy to the extent permitted by the Rules, and that each Investor consents to such representation.

Investor acknowledges that legal counsel to the LLC has not represented the interests of any Investor in the preparation and negotiation of this Agreement. Each Investor has consulted with its own advisors and legal counsel, and has not relied upon legal counsel for the LLC, in connection with this Agreement.

13. INSPECTION OF RECORDS - Investor shall have the right, with reasonable notice and at reasonable times during usual business hours, to audit, examine and make copies of, or extracts from, the books of account and other financial records of the LLC at its principal place of business.

Such right may be exercised through any verifiable agent or employee of an Investor designated by such Investor or by an independent certified public accountant designated by such Investor.

Investor shall bear all expenses incurred in any examination made for such Investor's account and shall keep all information obtained during such inspection confidential.

In the exercise of their rights under this Section, the Investor agrees that they shall not cause any unreasonable interference with or disruption of the LLC or Project's daily operations or business.

IN WITNESS WHEREOF, by signing below, the undersigned have executed this Agreement as of the date first set forth above.

AGREED TO AND ACCEPTED:

\_\_\_\_\_ Date: \_\_\_\_\_

INVESTOR:

NAME: \_\_\_\_\_

STREET ADDRESS: \_\_\_\_\_

CITY STATE ZIP: \_\_\_\_\_

PHONE: \_\_\_\_\_

AGREED TO AND ACCEPTED:

\_\_\_\_\_ Date: \_\_\_\_\_

LLC COMPANY

James M. De Vince, CEO

The Basketball Movie LLC

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