



IndieFlix, Inc.

MOTION PICTURE ACQUISITION AGREEMENT

LICENSOR

(which expression shall include its licensees, assignees and other successors in title)

LICENSEE

(which expression shall include its licensees, assignees and other successors in title)

DATE

[RIGHTS HOLDER]

IndieFlix, Inc.

[RIGHTS HOLDER ADDRESS]

4111 East Madison Street, Suite #310
Seattle, WA 98122 - United States

SUMMARY OF RIGHTS LICENSED

PICTURES:

[NAME OF PICTURE]

TERRITORY:

[DISTRIBUTION TERRITORY]

LICENSE:

Non-Exclusive

REVENUE SHARING:

Licensor shall be entitled to receive as Licensor's Royalty 70% of the Net Revenues generated by the Pictures plus subscription generated revenue.

This Motion Picture Acquisition Agreement ("Agreement") is made as of the date of signing between [RIGHTS HOLDER] ("Licensor"), with an address and phone number shown on the signature page, and INDIEFLIX, INC ("IndieFlix"), a Washington corporation located at 4111 East Madison Street, Suite 310, Seattle, WA 98112, with respect to the film project entitled [NAME OF PICTURE], Directed by [DIRECTOR NAME] with an approximate running time of [RUNNING TIME] minutes, (the "Picture" or "Film"), whereby Licensor authorizes IndieFlix to copy, distribute, perform, market, and advertise the Pictures and any part thereof upon the following terms and conditions:

1. PICTURES:

The Pictures were filmed on Digital Video or film stock, and as delivered to IndieFlix is of commercially acceptable technical quality for delivery onto the mediums as set forth herein. Valid and proper music licenses have been obtained by Licensor so that the Pictures may be legally copied, distributed, and viewed on home video devices and distributed as intended by this Agreement without IndieFlix's payment of a music royalty or additional music license fee.

2. TERM:

The Term of this Agreement commences when this Agreement is fully executed, and continues for the duration of the copyright in the Pictures. Licensor may terminate the term of this Agreement at any time, provided written notice is given to IndieFlix 30 days before the effective date of termination. Should Licensor terminate the term of this Agreement, Indieflix shall have the right, but not the obligation, to continue to sell the Pictures for 12



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weeks after the effective date of termination. IndieFlix shall not make new copies of the Pictures after the effective date of termination.

Additionally, to the extent that IndieFlix has generated agreements with third party platforms to which it has received prior written consent from Licensor for distribution of the Pictures (such as iTunes, Hulu or Netflix etc.), Licensor acknowledges that termination of this Agreement shall not affect Distribution Agreements entered into by IndieFlix, including without limitation IndieFlix's right to receive its share of Net Receipts attributable to such Distribution Agreements.

3. TERRITORY:

[DYNAMIC COPY TO CHANGE DEPENDING ON THE 'DISTRIBUTION TERRITORY' SELECTED AT THE TIME OF ONLINE SUBMISSION]

4. RIGHTS:

Unless otherwise limited in Exhibit A, Licensor grants, assigns and conveys to IndieFlix for the Term throughout the Territory the Non-Exclusive right to distribute copies of the Pictures for sale and/or rental or performance on all media now known, unknown, and hereafter devised, including without limitation to Digital Media, for the purpose of home viewing and public performance, including but not limited to delivery to hotels, educational institutions, libraries, airlines and ships registered in and/or flying the flag of any country in the Territory, and the right to sublicense to other delivery outlets.

"Digital Media" shall mean all electronic and digital processes through which the Pictures may be delivered for viewing, including without limitation as follows:

- a. through all forms of Internet streaming, digital download, and electronic sell through;
- b. through all forms of video-on-demand, including without limitation via cable, satellite, Internet, 'closed-IP' networks, IPTV, telco services, and wireless;
- c. to mobile and handheld devices whether through wireless telephony and data networks or otherwise;

All rights not specifically granted in this agreement are reserved by Licensor including but not limited to subsequent productions, remakes, and sequels.

5. BOXED SETS:

Licensor acknowledges and agrees that the Pictures may, in IndieFlix's discretion, be delivered as part of a bundled or boxed set of two or more Pictures sold together in a single, physical media package ("Boxed Sets") and/or together with one or more physical products (or a coupon for such a physical product), including by way of example, chocolate bars, gourmet popcorn, wine, etc. ("Mixed Product Bundle"). Due to the complex nature of packaging any Pictures with additional physical products, all Royalties on any Mixed Product Bundle will be agreed upon separately, in writing, between Licensor and IndieFlix.



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6. LICENSOR'S ROYALTY:

a. **REGULAR REVENUE FROM PURCHASES, RENTALS, AND SUBLICENSING:** For all revenue generated from DVD Purchases and Video-On-Demand Rental from IndieFlix.com and for revenue generated from sublicensing the Pictures ("Regular Revenue"), Licensor shall be entitled to receive as Licensor's Royalty 70% of the Net Revenues generated by the Pictures. "Net Revenue" shall mean the proceeds actually received by IndieFlix from sales and/or rentals of the Pictures after deduction of any fees, costs, territorial taxes, and/or sales taxes. IndieFlix may offer its customers special promotions and discounts from time to time. In the event that IndieFlix does offer any such special promotions or discounts combining two or more Feature Films or Shorts for one price, then the sales and/or rental proceeds shall be allocated equally between such Films (for example, if 2 Pictures are used in a special promotion, each Pictures shall receive a 35% allocation of the Net Revenue generated).

b. **REVENUE FROM INDIEFLIX.COM SUBSCRIPTION SERVICE:** IndieFlix shall have the right, but not the obligation, to include the Pictures for curated and/or customer selected Subscription Video-On-Demand delivery to IndieFlix.com members ("IndieFlix.com Subscription Service"). In addition to royalties from Regular Revenue (as set forth in Paragraph 6), Licensor shall be entitled to receive the below as Licensor's Royalty for revenue generated from IndieFlix.com Subscription Service:
§ \$0.01 per minute viewed of a Film or Pictures

Further, Licensor shall only be entitled to a royalty up to 3 'per instance' viewings by a single IndieFlix.com Subscription Service subscriber per Pictures, per month. After an IndieFlix.com Subscription Service subscriber has viewed a Pictures 3 times in any given month, further viewings of that Pictures shall not generate additional royalty payments to Licensor.

"Per Instance" shall mean anytime that a Film or Pictures is viewed continuously from the start of the Pictures for 66% the length of the Film (for example, a 100 minute Picture would reach a 'per instance' royalty point at 66 minutes viewed from the beginning of the Film).

7. MATERIALS:

Licensor shall deliver to IndieFlix a signed original of this Agreement along with a copy of the Pictures on medium acceptable to IndieFlix ("Delivery"), complete with appropriate title and credits, in continuous running format without breaks or interruptions, in synchronization between Picture and soundtrack. Licensor shall deliver to IndieFlix copies of its chain of title and proof of ownership or license of the screenplay and underlying material upon which the Pictures are based, if any, as well as music synchronization and music master licenses for all music used in the Pictures, the Credit List described in Section 7 below, and other documents IndieFlix may need to verify proper clearance of rights to distribute the Pictures. If accepted for distribution, IndieFlix shall return to Licensor a copy of the Agreement signed by IndieFlix. Licensor agrees to provide additional delivery items or documentation, if reasonably necessary by IndieFlix in its regular business practice, before the Pictures are placed on IndieFlix's website for distribution.



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Licensor is solely responsible for creating and retaining the original and copies of the Pictures or other materials prior to submitting a copy of the Pictures to IndieFlix. IndieFlix shall not be responsible for any loss of or damage to physical elements of the Pictures or other materials submitted to IndieFlix under any circumstances or for any reason whatsoever.

8. INDIEFLIX'S RIGHTS:

In addition to other rights granted herein, IndieFlix shall have the right to advertise the Pictures in any manner it sees fit, to make promotional shorts and trailers from the Pictures, hold public and/or private screenings of the Pictures, and also without limitation, promote, sublicense, assign, market and otherwise exploit the Pictures (and its title), in its sole discretion, in connection with the exercise of any and all rights acquired hereunder.

IndieFlix shall have the right to remove the Pictures from its website and otherwise cease distribution of the Pictures in its sole discretion, including but not limited to should IndieFlix receive any complaint or be notified of any dispute involving the Pictures. IndieFlix may suspend distribution of the Pictures until any reported disputes concerning the Pictures are resolved to IndieFlix's satisfaction, or may terminate the Agreement, in its sole discretion.

IndieFlix shall not delete credits on the Pictures as delivered, including copyright notice. However, IndieFlix and its licensees shall have the right to insert its trade names and/or logos before the main titles of the Pictures and after the end titles of the Pictures, and a presentation credit, in the form of "IndieFlix (or any successor, designee, affiliate or sponsor of IndieFlix) Presents," and to insert such trade names and/or logos in all paid advertising related thereto for, including but not limited to the following purposes: legal requirements, censorship, dubbing, formatting, and subtitling. Licensor shall provide IndieFlix with a list of contractual credit obligations for paid advertising not exceeding fifteen (15) individual or business entity credits ("Credit List"). IndieFlix shall adhere to the Credit List on all paid print advertising, subject to customary industry exclusions including but not limited to exclusion on ads eight (8) column inches or less, congratulatory and trade advertising, and teaser ads, however, any inadvertent mistake in a credit or its omission shall not be deemed a breach of this Agreement. If Licensor does not provide a Credit List concurrently with Delivery of the Pictures, IndieFlix may use credits from the Pictures in advertising as it sees fit in its sole discretion.

Licensor shall notify IndieFlix in writing at the time of Delivery of the Pictures if there are any restrictions on use of name or likenesses in paid advertising. IndieFlix may use the name and likeness of any person(s) appearing in the Pictures in advertising as it sees fit in its sole discretion, unless it receives written notice of likeness restrictions at time of delivery of the Pictures.



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9. EDITING RESTRICTION:

IndieFlix shall not edit, and will not permit third parties to edit the Pictures except for the following purposes: (i) to prepare closed captioned, subtitled and/or dubbed versions the Pictures; (ii) to avoid legal liability or conform the Pictures to applicable laws, standards and practices; (iii) to present the Pictures in serial form without altering its linear form; (iv) to compress the Pictures and/or the credits as required by any third party licensee in connection with time limitations in a manner then customary in the motion picture industry; and (v) to create advertising and publicity materials for the Pictures.

10. PUBLICITY

Licensor shall obtain IndieFlix's prior consent before issuing any press release or other publicity relating to this Agreement, or reference any trade name, trademark, logo, or commercial symbol of IndieFlix or its affiliated entities in any brochures, websites, advertisements, email communications, client lists or any other promotional materials,

11. ACCOUNTING:

IndieFlix will report and make appropriate payments to Licensor as follows:

- a. Licensor may access current statements for the Pictures from the IndieFlix website;
- b. Licensor shall have the right to audit IndieFlix's books and records related to the Pictures at Licensor's sole expense by a certified public accountant, at IndieFlix's offices during regular business hours, following thirty (30) day prior written notice. Licensor shall not request an audit more often than once every twelve (12) months following completion of a prior audit. Licensor shall not question, audit, or seek revision of any statement after twelve (12) months have passed from the date that statement was prepared, unless written objection to that statement was received by IndieFlix before expiration of the twelve-month period. IndieFlix shall not be obligated to retain substantiation for any statement twenty-four (24) months after its preparation. Notwithstanding the forgoing, no statement shall be rendered unless monies are owed Licensor.
- c. Social Security No. or Tax ID No. (IRS requirement): _____ |

12. RESIDUALS & THIRD PARTY PARTICIPATIONS:

Licensor will be solely responsible for any and all residual and other additional or supplemental payments payable to any union, guild or other entity (e.g., SAG, DGA, WGA, IATSE, AFM) required to be made by reason of the licensing, distribution, or other exploitation of the Pictures and the Advertising Rights as set forth herein. Licensor will be responsible for paying all third party participations granted by Licensor in connection with the Pictures.

13. LICENSOR'S WARRANTIES:

Licensor represents and warrants that it has the right and authority to enter into this Agreement and grant the rights herein, that the Pictures' entire copyright is protected under U.S. Copyright law; that there are no outstanding lawsuits or claims or potential lawsuits or claims against the Pictures or against any party that may encumber any of rights granted by Licensor in this Agreement; that the Pictures or any part or right therein is not subject to a



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security interest, lien, claim, lawsuit, or has been pledged as collateral, or other legal entanglement or encumbrance inconsistent with or which could tend to diminish the rights granted to IndieFlix hereunder; that the Licensor has obtained all necessary consents and clearances from all sources for IndieFlix's free enjoyment of the rights herein granted, including but not limited to consents and clearances from all actors, musicians, writers, directors, artists, photographers, and designers; that IndieFlix's free exercise of the rights granted herein shall not violate the rights of any other person or entity, such as by way of example, defamation, copyright, trademark, or publicity rights; and that no monies will become due from IndieFlix to any person, party, organization, guild or society by IndieFlix's exercise of the rights granted hereunder, except payment of the agreed Royalty to Licensor for sales made. The Pictures, if rated by the MPAA, has or will receive a rating no more restrictive than "R." Licensor shall be solely responsible for payment of residuals, dues, overages, production costs, performance fees, and license fees, including those that may arise from IndieFlix's exercise of the rights granted herein, including, but not limited to, any fees, residuals, tax, escalations, or penalties due or demanded by any guild, union, professional society or governmental body. Licensor warrants and represents that, where applicable, music performance rights in the Pictures are licensed by ASCAP, BMI, SESAC, or are in the public domain. Without limitation, Licensor has fully licensed synchronization rights and either owns or licensed master use rights in and to all music contained in the Pictures. This Agreement is binding on Licensor's successors-in-interest, employees, agents, assigns, and transferees.

14. CONFIDENTIALITY

Other than as required by law, governmental authority, or to enforce its rights hereunder, neither party will, without the express written consent of the other party, disclose the royalties paid or revenue generated by the Pictures at IndieFlix.com or any outlet to which IndieFlix has sublicensed the Pictures or any other business information shared by the other party which should reasonably be understood to be confidential, except to its attorneys, agents, accountants, investors, lenders, or directors on a "need-to-know" basis, provided that such persons are similarly required to keep such information confidential.

15. ASSIGNMENT:

Either party may assign any or all of its rights and/or obligations pursuant to this Agreement in the event that (i) it acquires or merges with another corporation or entity; (ii) all or substantially all of its assets are acquired by a third party; or (iii) it is involved in a consolidation, reorganization or similar transaction.

16. INDEMNIFICATION:

Licensor shall indemnify and hold IndieFlix harmless, including but not limited to reasonable outside attorney's fees and costs it incurs, from and against any and all harm suffered by IndieFlix from any claim of any nature, demand, obligation and/or litigation of any kind whatsoever arising from or related to any breach of Licensor's representations, warranties or obligations made in this Agreement. IndieFlix shall indemnify and hold Licensor harmless, including but not limited to reasonable outside attorney's fees and costs it incurs, from and against any lawsuit brought against Licensor arising from any breach of



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IndieFlix's representations, warranties or obligations made in this Agreement. The parties agree to promptly notify each other, in a manner as provided herein, of any claims subject to indemnification.

17. NO INJUNCTIVE RELIEF:

Licensor waives any right to equitable, or injunctive relief, and in the event of any breach or alleged breach by IndieFlix, agrees to only seek remedies at law for economic damages.

18. NOTICE:

Notice shall be given in writing between the parties at the addresses shown below, or subsequent addresses changed by written notice pursuant to this section. Notice shall be deemed delivered upon the earlier of actual receipt, or three days after the written notice is deposited in the U.S. Mail for first class delivery, properly addressed as provided herein with postage prepaid. Licensor shall promptly advise IndieFlix in writing of any change to Licensor's current address, phone number, and e-mail.

19. INTEGRATION AND AMENDMENTS:

This Agreement comprises the entire understanding between the parties, and supersedes and integrates all prior negotiations and agreements. Any changes, amendments or modifications of this Agreement shall not be binding unless made in writing and signed by both parties. IndieFlix may amend or revise its standard terms as contained in this Agreement from time to time. In the event that IndieFlix makes any such change, Licensor shall be given written notice by e-mail at Licensor's last known e-mail address, including a copy of the revised agreement or direction to its website where the entire revised agreement may be reviewed by Licensor. If Licensor does not wish to accept the revisions and/or amendments, Licensor may terminate this Agreement pursuant to Section 2 above. The existing terms and conditions of this Agreement shall continue to apply until the effective date of termination of the Agreement. If Licensor does not give notice to IndieFlix of early termination of this Agreement within 30 days from the date e-mail notice is sent to Licensor of any such changes or modifications, then the revisions and amendments shall be deemed accepted by Licensor and shall go into effect.

20. CHOICE OF LAW AND FORUM:

Any actions arising between the parties from obligations, rights, or warranties in this Agreement shall be brought in King County Superior Court, or if applicable, the United States District Court for the Western District of Washington in Seattle, Washington, using the laws of the State of Washington or Federal laws applicable in the State of Washington, regardless of where this Agreement was executed or performed, and without regard to choice of law rules, and this Agreement shall be construed and interpreted in plain English, without preference or presumption based upon who drafted the Agreement. If any part or term of this Agreement is found to be contrary to applicable law, it shall be deemed modified or deleted in a manner to comply with the law and to give the greatest possible effect to the expressed intent of the parties.



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21. WAIVER:

A waiver of any provision of this Agreement shall not be deemed a waiver of any other provision, or waiver of a similar future occurrence.

22. COMMERCIAL VIABILITY:

Nothing herein shall be construed as a representation of the commercial viability of the Pictures, nor a projection or promise that the Pictures will achieve any particular sales results. IndieFlix shall distribute, market, and promote the Pictures in its sole discretion under the terms of this Agreement. IndieFlix may terminate this agreement at any time at its sole discretion, and cease distribution of the Pictures.

23. FURTHER DOCUMENTS:

Licensor agrees to promptly provide additional documentation related to the Pictures that IndieFlix reasonably requires. Licensor agrees to execute additional documents IndieFlix may require to evidence the rights granted in this Agreement, and hereby appoints IndieFlix as Licensor's attorney-in-fact only to execute any such documentation if Licensor fails to return executed documents within thirty (30) days from mailing pursuant to Section 12 of this Agreement.

24. NO PARTNERSHIP:

The parties hereto do not intend to create a partnership, joint venture or any other form of business association or entity, and this Agreement shall not be construed to create any such relationship or entity. Neither party is authorized to make any representations or execute any instruments, which state or imply that any such a relationship or entity has been created.

25. SURVIVAL OF REPRESENTATIONS AND WARRANTIES:

All representations and warranties of the parties contained herein and the indemnification provisions contained herein shall be deemed to survive termination of this Agreement.

26. COUNTERPARTS:

This Agreement may be executed in one or more counterparts, each of which will be an original, but all of which together will be deemed one and the same original. Facsimile and electronic copies and signatures shall be considered the same as original.



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By signing below, the parties agree to the terms set forth above.

**AGREED AND ACCEPTED
LICENSOR**

Signature: _____
Name: _____
Date: _____

Pictures: _____
Run Time: _____

**AGREED AND ACCEPTED
LICENSEE**

Signature: _____
Name: _____
Date: _____

ROYALTY PAYMENT INFORMATION:

Payee (name listed on royalty payments): _____

Address: _____

Phone: _____

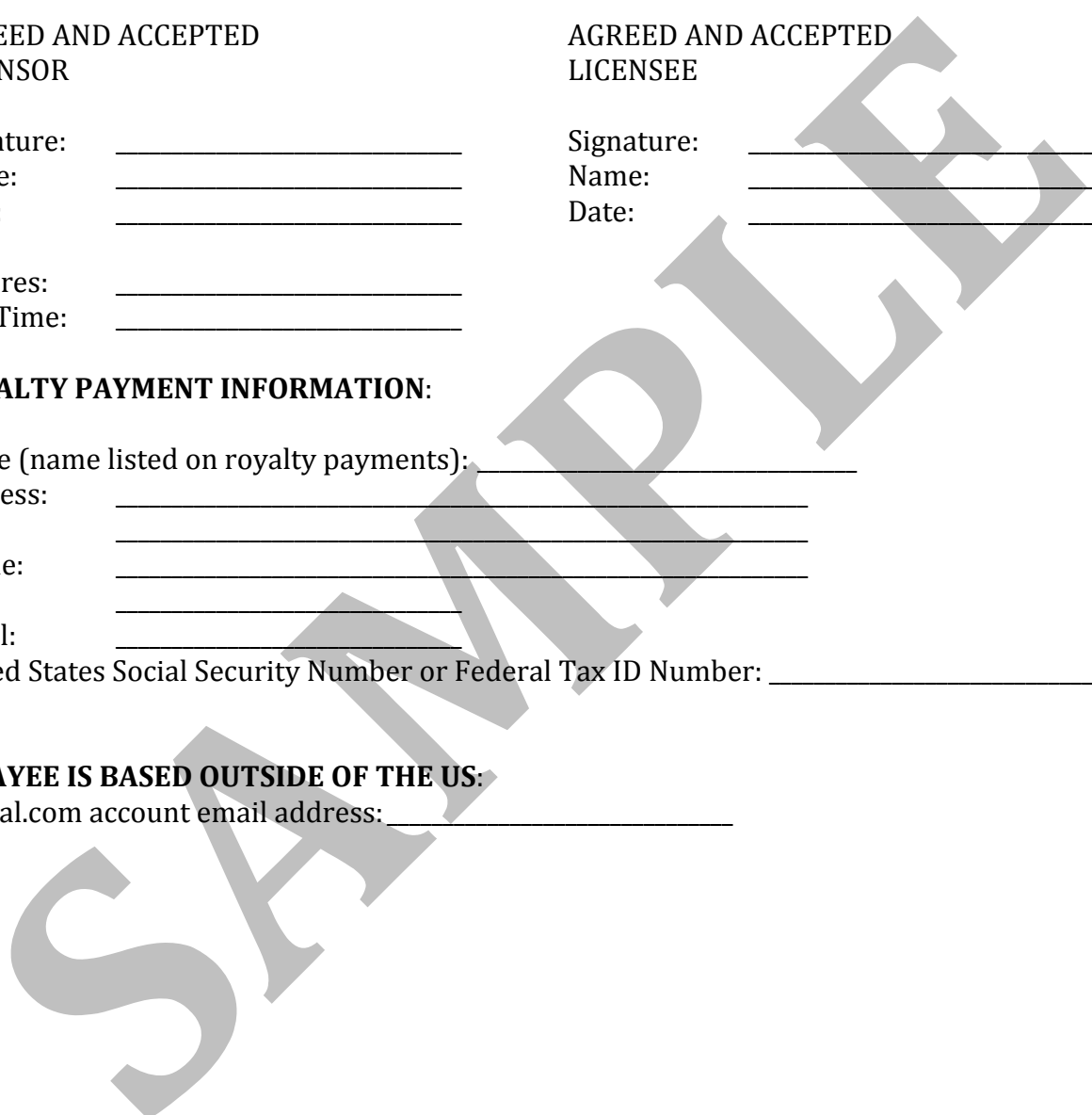
Fax: _____

Email: _____

United States Social Security Number or Federal Tax ID Number: _____

IF PAYEE IS BASED OUTSIDE OF THE US:

PayPal.com account email address: _____





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EXHIBIT A

PICTURE(S) AND DISTRIBUTION LIMITATIONS

____ IndieFlix.com Only. By initialing here, Licensor does NOT want IndieFlix to sublicense the Pictures.

Notwithstanding the foregoing, the following distribution medium(s) and digital delivery service(s) below are hereby EXCLUDED by Licensor from the rights granted in this Agreement and may not be licensed by IndieFlix:

Specific Medium(s) or Service(s) to Exclude:

SAMPLE