

SEED MONEY (UP TO US\$100,000.00)

LOAN AGREEMENT

THIS LOAN AGREEMENT (the “**Agreement**”), entered into as of _____, is hereby made by and between the Parties stated below (each a “**Party**”).

WITNESSETH:

WHEREAS, Lender intends to provide, and Borrower intends to receive, a loan upon the terms and conditions hereinafter set forth.

WHEREAS, Borrower will produce the film “RUPTURIAN -Extinction on Earth” (*the film*), with a budget of \$10 Million, and will raise such funds as a loan or equity, and needs to raise first **SEED money** (up to \$100,000.00), to cover insurance and closing expenses, and to initially setup a film production and a film distribution company.

WHEREAS, both Parties have full authorization to enter into this Agreement in the capacity in which they are signing, and

NOW THEREFORE, in consideration of the mutual promises made below, the Parties agree as follows:

1. **Parties.** The Parties to this Agreement are as follows (each a “**Borrower**” and “**Lender**”, respectively);

BORROWER

Albert Herrera, residing at _____

alherrera@bernalfilms.com. (718) 440-8590.

LENDER

John Smith, residing at _____

johnsmith@gmail.com. (347) 111-1111.

2. **Promise to pay.** FOR VALUE RECEIVED. Borrower promises to pay Lender a *total principal amount* of \$_____, which is equivalent to 120% of the amount received from Lender.
3. **Interest.** No interest will be due or payable under the terms of this Agreement.
4. **Payment Terms – Lump Sum.** Payments will be made according to the following terms: The *total principal amount* of this agreement will be paid in full, in one lump sum, immediately upon receiving the main funds (\$10 million) needed to produce the film.
5. **Method of Payment.** Payment will be made by bank wire transfer to the account indicated by Lender.
6. **Nonrecourse.** THIS AGREEMENT IS NONRECOURSE, AND LENDER MAY NOT SEEK RECOURSE TO ANY PERSONAL ASSETS OF BORROWER. The personal assets are not subject to the payment of this debt.
7. **Events of Default.** In addition to any other events of default specified herein, the following events, without limitation, will constitute a default:
 - a. Borrower's failure to pay all monies owed in full on or before the Due Date.
 - b. Borrower's failure to cure a breach of this Agreement on or before 30 days after Lender gives Borrower written notice thereof.
 - c. Any material misrepresentation by Borrower of a fact or promise made in this Agreement or any statement, document, or certification delivered to Lender in accordance herewith.

- d. Any withdrawal, revocation, expiration, or termination of a necessary authorization required by any government or other organization in order to execute, perform and enforce this Agreement.
 - e. Borrower's filing any voluntary or involuntary petition for relief under the United States Bankruptcy code; and
 - f. The death or dissolution of either Party.
8. **Acceleration.** Should Borrower default under or otherwise breach this Agreement and not cure said default or breach on or before 30 days after Lender gives Borrower written notice thereof, by personal delivery or certified mailing, all principal remaining unpaid will, at the option of the Lender, become immediately due and payable to Lender. The date of notice will be the date of delivery or the date of mailing.
9. **No Waiver.** No delay or failure in giving notice of a default or breach will constitute a waiver of the right of Lender to exercise its right of acceleration or any other right Lender may have hereunder in the event of a subsequent or continuing default or breach.
10. **Attorney Fees and Court Costs.** In the event of a default or breach under this Agreement, Borrower covenants to pay Lender all collection and/or litigation costs incurred, including reasonable attorney fees and court costs, whether or not a judgment is received and whether or not a lawsuit is filed.
11. **Taxes.** Borrower covenants to make all payment due hereunder to Lender without setoff or counterclaim and without deducting for taxes or withholdings of any nature whatsoever that may be imposed by any tax or government authority. In the event that law or regulation requires Borrower to make such a deduction or withholding from a payment due hereunder, Borrower covenants to increase the amount of such payment to the extent necessary to ensure that Lender receives an amount equal to that which it

would receive if no such law or regulation were in effect and provide Lender with official documentation, to Lender's satisfaction, evidencing Borrower's payment of the deduction or withholding.

12. Borrower Representation and Warranties

- a. Borrower represents and warrants that it has the full power and authority to enter into and perform this Agreement according to the terms hereof and has taken, and will take, any and all actions necessary to authorize the execution and performance of this Agreement according to the terms hereof, and
- b. Borrower represents and warrants that it has obtained all necessary approvals, licenses, permits, and/or other authorizations required by any government or other organization in order to execute, perform, and enforce this Agreement, that all such authorizations are in effect and that it will continue to obtain any such authorizations that may become required hereafter.

13. Borrower Covenants

- a. **Costs and Expenses.** Borrower covenants to reimburse Lender for all reasonable out-of-pocket expenses Lender incurs in enforcing this Agreement, including reasonable attorney fees and court costs. Additionally, Borrower will pay any stamp or other similar duties and taxes to which this Agreement is subject.

14. Miscellaneous Terms and Conditions. The Parties agree to the following terms and conditions: Borrower will pay to the Lender, of *the film* net profits -after paying their share to distributors-, obtained during the first six months of its release, 1.0 % of the film net profits for a contribution of \$100K. Smaller amounts are calculated proportionately.

15. General Provisions

- a. **Governing Law.** The Parties agree that the laws of the State of New York will govern this Agreement without regard to its conflict-of-law provisions. Any claims or disputes concerning this Agreement will, at the sole election of the Lender, be adjudicated in United States country.
- b. **Successors and Assigns.** Lender may transfer this Agreement to another holder without notice to Borrower; however, Borrower will not be liable to any assignee for any amounts greater than it would otherwise be liable for under this Agreement. Borrower agrees to remain bound under the terms of this Agreement to any subsequent holder of this Agreement. Borrower covenants and warrants not to assign its rights or obligations under this Agreement without Lender's prior written consent.
- c. **Entire Agreement.** This Agreement constitutes the entire Agreement of the Parties and supersedes any and all other prior and contemporaneous agreements and understandings, both written and oral, between the Parties.
- d. **Amendment.** No amendment, modification, termination or waiver of any provisions of this Agreement will be effective unless it is in writing and signed by both Borrower and Lender.
- e. **Time of Essence.** Time is of essence concerning all provisions contained in this Agreement.
- f. **Waivers.** Borrower hereby waives presentment for payment, demand, protest and notice of dishonor and protest, and all other demands and

notices, in connection with the delivery, acceptance, performance, or other enforcement of this Agreement.

- g. **No Implied Waiver: Cumulative Remedies.** Lender's failure to exercise any right or remedy provided in this Agreement will not be construed as a waiver of any future exercise of that right or exercise of any other right or remedy to which Lender may be entitled. No delay or omission on the part of the Lender in exercising any right hereunder will operate as a waiver of any other right under this Agreement. No right conferred upon Lender by this Agreement will be exclusive of any other right referred to herein or now or hereafter available by law, in equity, by statute or otherwise, and all remedies will be cumulative and not in the alternative.
- h. **Severability.** If any provision of this Agreement is held by a court of law to be illegal, invalid, or unenforceable, then that provision will be deemed amended to achieve as nearly as possible the same economic effect as the original provision, and the legality, validity, and enforceability of the remaining provisions of this Agreement will not be affected or impaired hereby.
- i. **Heading.** The headings used in this Agreement are provided for convenience only and will not be used in construing the meaning or intent of the corresponding provisions.
- j. **Counterparts.** This Agreement may be executed in any number of counterparts, including by facsimile transmission or by e-mail delivery, each of which when executed and delivered shall constitute an original of this Agreement, but all the counterparts shall together constitute the same Agreement. No counterpart shall be effective until each Party has executed at least one counterpart.

IN WITNESS THEREOF the Parties have executed this Agreement as of the date affixed to each signature.

Lender:

Signed: _____ Date: _____

Print: _____ Title: _____

NOTARY PUBLIC



Borrower:

Signed: _____ Date: _____

Print: _____ Title: _____

NOTARY PUBLIC