

## Filmmaker Payment Policy

(Subject to the MyFilmmaker.com Marketplace User Agreement)

The Filmmaker Payment Policy is established to govern the payments made by MyFilmmaker.com to the Filmmaker, and by the Filmmaker to MyFilmmaker.com.

For purposes of this Filmmaker Payment Policy:

“Acceptance Request” means a request by a Filmmaker of a Buyer to accept either the Rough Cut or Final Version of Filmmaker’s Work Product.

“Final Acceptance” means that Buyer has accepted the Final Version of Filmmaker’s Work Product or that it has been Deemed Accepted.

“Final Version” means the version of the Work Product that Filmmaker submits for Buyer’s Final Acceptance.

“Five Star Plan” is the service described in the MyFilmmaker.com Marketplace User Agreement and in the Five Star Plan Policy.

"Payment Service" means MyFilmmaker.com’s online service through which MyFilmmaker.com processes payments from Buyers to Filmmakers utilizing the MyFilmmaker.com system.

“Rough Cut Acceptance” means that Buyer has accepted the Rough Cut Version of Filmmaker’s Work Product or that it has been deemed Accepted.

“Rough Cut Version” means the version of the Work Product that Filmmaker submits for Buyer’s Rough Cut Acceptance.

“Service Contract Services” means services delivered under Service Contracts.

All other capitalized terms have the meanings described in the MyFilmmaker.com Marketplace User Agreement and Policies.

The Five Star Plan includes the following administrative and support services which MyFilmmaker.com believes helps Filmmakers to administer, create contracts, issue invoices and efficiently deal with disputes. The Five Star Plan is more fully described in the Five Star Plan Policy and in the MyFilmmaker.com Marketplace User Agreement. Using the Five Star Plan, Filmmakers benefit from the following:

- 1) Standard contract production service
- 2) Invoice production service
- 3) Payment processing service
- 4) Dispute resolution service
- 5) Buyer Satisfaction Program

None of these services are provided by MyFilmmaker.com to Buyers or Filmmakers whose Five Star Plan Application is rejected. Payment for the Five Star Plan is deducted from payments made to Filmmaker as described below and is not charged additionally to the Buyer.

### **Five Star Plan**

Buyers and Filmmakers use the Five Star Plan to administer and make payments of Filmmaker Fees. The Five Star Plan also includes certain advisory, mediation, arbitration and buyer satisfaction services for Buyers and Filmmakers with approved contracts

### **Application for Five Star Plan**

Once Buyer has selected its Filmmaker to complete the Assignment, either Buyer or Filmmaker can visit the Five Star Plan section at MyFilmmaker.com and complete and submit the Five Star Plan application. In any case, application must be submitted before Assignment begins. Once submitted, a contract based upon the information submitted and the MyFilmmaker.com Marketplace User Agreement, will be created and emailed to Buyer and Filmmaker. MyFilmmaker.com's objective is to accept all reasonable Five Star Plan applications; nevertheless, MyFilmmaker.com may reject any application at its sole discretion. The MyFilmmaker.com review is based on a number of criteria including but not limited to market pricing for services, delivery schedule and any conditions that deviate from Standard Terms. MyFilmmaker.com's objective is to either accept or reject the application within 1 business day of application receipt.

### **The MyFilmmaker.com System**

MyFilmmaker.com believes that Buyers are entitled to valuable services for prices paid and that Filmmakers should be certain of payment for satisfactory services rendered. Creative services such as filmmaking are not always evaluated objectively and sometimes they are evaluated subjectively. To help improve communications and process efficiency between Buyer and Filmmaker, MyFilmmaker.com delivers the Five Star Plan in association with approved contracts.

### **Process Steps**

For the purposes of the Five Star Plan Policy, the film or video production process is divided into the stages of pre-production, production and editing, Rough Cut Version, final editing and Final Version. The Rough Cut Version and Final Cut Version are key milestones in the process.

### **Rough Cut Version**

When the Filmmaker believes that the Rough Cut Version stage has been reached, the Filmmaker shall submit the Work Product to the Buyer and make an Acceptance Request in writing via email or fax. The Buyer has 10 business days to either accept the Rough Cut Version or request in writing that it be improved ("Request to Improve"). In the absence of a Request to Improve via email or fax by Buyer to Filmmaker, the Rough Cut Version shall be deemed to be accepted ("Deemed Accepted") by the Buyer. Filmmaker shall have 10 business days after Buyer's Request to Improve and submit another Rough Cut

Version and Acceptance Request to Buyer (“Second Acceptance Request”). The Buyer has 10 business days after the Second Acceptance Request to either accept the new Rough Cut Version or reject it in writing. In the absence of a written rejection request via email or fax by Buyer to Filmmaker, the Second Acceptance Request shall be Deemed Accepted by the Buyer. If Buyer rejects the Second Acceptance Request, Dispute Resolution shall begin. Buyer may accept Rough Cut Version as Final Version, if Work Product is satisfactory to Buyer, and no further Buyer approvals shall be required thereafter.

### **Final Version**

When the Filmmaker believes that the Final Version stage has been reached, the Filmmaker shall submit the Work Product to the Buyer and make an Acceptance Request in writing via email or fax. The Buyer has 10 business days to either accept the Final Version or request in writing that it be improved (“Request to Improve”). In the absence of a Request to Improve via email or fax by Buyer to Filmmaker, the Final Version shall be deemed to be accepted (“Deemed Accepted”) by the Buyer. Filmmaker shall have 10 business days after Buyer’s Request to Improve and submit another Final Version and Acceptance Request to Buyer (“Second Acceptance Request”). The Buyer has 10 business days after the Second Acceptance Request to either accept the new Final Version or reject it in writing. In the absence of a written rejection request via email or fax by Buyer to Filmmaker, the Second Acceptance Request shall be Deemed Accepted by the Buyer. If Buyer rejects the Second Acceptance Request, Dispute Resolution shall begin.

### **Payment Timing**

Buyers pay 50% of the Filmmaker Fees to MyFilmmaker.com at the time that the contract is accepted as a Five Star Plan contract, and Buyer pays the remaining 50% to MyFilmmaker.com upon Rough Cut Acceptance. MyFilmmaker.com holds the first payment until the Rough Cut Acceptance and Buyer has paid the contract balance to MyFilmmaker.com. Upon receipt of the contract balance, MyFilmmaker.com releases the Buyer’s first payment less the MyFilmmaker.com Service Fee to the Filmmaker. Upon Buyer’s Final Acceptance and receipt of the Work Product in agreed upon form, MyFilmmaker.com releases the Buyer’s second payment less the MyFilmmaker.com Service Fee to the Filmmaker.

Every time a Buyer makes a Service Contract payment for a contract, 80% goes to the Filmmaker and 20% goes to the MyFilmmaker.com Service Fee to cover MyFilmmaker.com marketing, sales and administration costs. The Service Fee is always a flat 20% of the total payment. There are no minimums or maximums on the MyFilmmaker.com Service Fee.

### **Payment of Job Contract Assignments**

Subject to the Buy-Out provisions described below, Filmmaker agrees to pay 10% of monies received from Job Contract Assignments that were awarded by Buyers that Filmmakers found using the MyFilmmaker.com Marketplace (Job Contract Incentive). Filmmaker agrees to pay MyFilmmaker.com the Job Contract Incentive within 10 days of receipt of Job Contract Assignment payments and

authorizes MyFilmmaker.com to deduct any Job Contract Incentives owed to MyFilmmaker.com from any amounts otherwise owed by MyFilmmaker.com to Filmmaker.

### **Circumvention of MyFilmmaker.com Marketplace**

Except pursuant to the "Buy-Out" provision set forth below, Filmmakers agree not to engage in any action or activity meant to circumvent MyFilmmaker.com Service Fees. Violation of these guidelines may result in suspension or termination of Filmmaker's account.

### **Buy Out**

Notwithstanding the provisions set forth above, Users may hire Users identified through the MyFilmmaker.com system, provided that the Buyer of such services pays MyFilmmaker.com a "Buy-Out" fee in accordance with the procedure set forth below:

Prior to contracting to receive services from a User identified through the MyFilmmaker.com system, the Buyer will notify MyFilmmaker.com in writing of its intent to pay the Buy-Out fee.

Together with such notice, the Buyer will provide a good faith estimate of the then anticipated amount to be paid to the Filmmaker for such services during the fifty-two week period immediately following the date of such notice.

Together with such notice, the Buyer will pay or authorize MyFilmmaker.com to deduct from its account the greater of (i) twenty percent (20%) of the good faith estimate described above; or (ii) seven hundred fifty dollars (\$750). In the event that Buyer does not pay within 20 days, Filmmaker will become responsible for such payment.

### **Quality of Work**

Work performed in the MyFilmmaker.com network is performed either on a Fixed Price or Job Contract basis. MyFilmmaker.com and its employees are not involved in any capacity in the management of the work. Therefore, Buyers agree MyFilmmaker.com does not guarantee the perceived quality of work done by Filmmakers nor can it guarantee payment for such work.

### **Disputes Between Buyers and Filmmakers**

Any Buyer that has a dispute with any Filmmaker must first address such dispute with the Filmmaker directly. Although MyFilmmaker.com provides a dispute resolution process as part of its Five Star Plan, you acknowledge that MyFilmmaker.com will not be a party to any such dispute or be obligated other than as described in Section 12.12 of the MyFilmmaker.com Marketplace User Agreement. MyFilmmaker.com may, at its sole discretion, but shall not be required to, withhold or delay payment in the event of dispute between a Buyer and a Filmmaker.

## **Dispute Resolution**

In the event of an unresolved dispute between Buyer and Filmmaker, and provided that MyFilmmaker.com has accepted User's application for Five Star Plan, , MyFilmmaker.com will offer the following dispute resolution services:

### **Mediation Service:**

MyFilmmaker.com may at its sole discretion attempt to first mediate a mutually acceptable compromise solution between Buyer and Filmmaker. Buyer and Filmmaker understand and acknowledge that they are not required to accept any mediation proposals. MyFilmmaker.com acknowledges that the refusal of any party to accept a mediation proposal will not affect that party's standing in a subsequent arbitration. Should either party not agree to a mediation compromise, or should MyFilmmaker.com at its sole discretion, determine that mediation will not work, then the dispute will proceed to binding arbitration.

### **Binding Arbitration Service:**

Buyer and Filmmaker agree that MyFilmmaker.com's arbitration of a dispute between Buyer and Filmmaker is final and binding on them and Buyer and Filmmaker hereby waive any other further legal challenges or remedies including but not limited to civil or criminal litigation against the other party or MyFilmmaker.com arising from the subject Service Contract, mediation or arbitration.

Either Buyer or Filmmaker may notify MyFilmmaker.com of their desire to use the arbitration process. MyFilmmaker.com will notify the other party.

MyFilmmaker.com, at its sole discretion, shall decide the form of arbitration hearing and may choose to hear Buyer's and Filmmaker's statements and evidence via phone, electronic correspondence or in person. Buyer and Filmmaker agree that they will participate in arbitration and will make reasonable efforts to participate within 15 days of notice of arbitration received from MyFilmmaker.com. Should either party be unable to participate or choose not to participate, the arbitration process will proceed without that party's participation and MyFilmmaker.com's findings shall become final and binding as described above.

MyFilmmaker.com's arbitration of a dispute between Buyer and Filmmaker is based on MyFilmmaker.com's evaluation of the Filmmaker's fulfillment of the Service Contract as made between Buyer and Filmmaker, including the terms and conditions of the MyFilmmaker.com Marketplace User Agreement. The Service Contract may include the substance of any verbal communication between Buyer and Filmmaker upon which both parties agree.

### **Filmmaker Authorizes Refunds**

Filmmaker agrees that a Buyer dispute with Filmmaker may lead to an arbitration in which MyFilmmaker.com determines that a refund of Buyer's payment(s) should be made. In such case, Filmmaker hereby authorizes MyFilmmaker.com to make such refund of Buyer's payment, at MyFilmmaker.com's sole discretion and shall indemnify, defend and hold harmless MyFilmmaker.com from any and all claims, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys' fees and all related costs and expenses) arising from or relating to such refund or arbitration decision.

## **Legal Relationship**

MyFilmmaker.com provides the Payment Service and requires all Users to use the Payment Service to make all payments to MyFilmmaker.com and to make payments to and accept payments from other Users in the purchase and sale of Service Contract Services through the MyFilmmaker.com Marketplace. Solely for purposes of the Payment Service, and not for any other Service Contract Services available through the MyFilmmaker.com Marketplace, MyFilmmaker.com acts as User's agent. However, Users understand and agree that MyFilmmaker.com will not hold funds delivered as payments to MyFilmmaker.com from Users for the purchase and sale of Service Contract Services through the MyFilmmaker.com Marketplace in a separate account, but may commingle and deposit such funds with other funds to be paid to other Users and with funds of MyFilmmaker.com. In addition, Users understand that such commingled funds could be used to pay other Users and by MyFilmmaker.com for general corporate purposes or otherwise, provided that MyFilmmaker.com will remain contractually obligated to make payment to Filmmakers in accordance with the Agreement and Policies, for any purchases and sales of Service Contract Services provided by Users through the MyFilmmaker.com Marketplace. To the extent MyFilmmaker.com is obligated to make payment to a User, in accordance with the MyFilmmaker.com Marketplace User Agreement and Filmmaker Payment Policy, User will be an unsecured creditor of MyFilmmaker.com.

User acknowledges that: (1) MyFilmmaker.com is not a bank or other licensed financial institution; (2) the amounts shown as on deposit in a User account are not segregated into a separate account but represent unsecured obligations of MyFilmmaker.com to the User with respect to the purchase and sale of Service Contract Services through the MyFilmmaker.com Marketplace; (3) MyFilmmaker.com is not acting as a trustee or fiduciary with respect to such funds or payments, but is acting only as an agent and (4) AMOUNTS TRANSFERRED THROUGH OR STORED IN THE PAYMENT SERVICE ARE NOT INSURED DEPOSITS. In addition, User's account will not constitute an escrow. By initiating and sending payments through the payment Service, User appoints MyFilmmaker.com as User's agent to obtain the funds and hold on User's behalf and to transfer such funds to the Filmmaker or Buyer for Service Contract Services, subject to foregoing and the other terms and conditions of the MyFilmmaker.com Marketplace User Agreement and Policies. Each Filmmaker must properly discharge and credit its Buyer for all payments MyFilmmaker.com receives through the Payment Service from such Buyers.

## **Payment Processor**

MyFilmmaker.com acts as a payment processor by maintaining and providing the Payment Service to Users via the Internet. MyFilmmaker.com does not have any control over the Service Contract Services purchased or sold with the Payment Service, nor whether a Buyer or Filmmaker that a User is dealing with will actually perform as agreed. Nothing in the Payment Service will be deemed to make MyFilmmaker.com User's agent with respect to any Service Contract Services purchased and sold by Users through the MyFilmmaker.com Marketplace.

### **Authorized Payments are Final**

User's use of the MyFilmmaker.com Marketplace constitutes User's agreement to pay for any amounts which User authorizes MyFilmmaker.com to charge against User's credit card or bank account. Such payments, once authorized, ARE FINAL.

### **Charge-backs, Cancellation of Credit Card or any other Intentional Non-payment**

If User instructs his bank or credit card company to issue a chargeback on any payment, cancels a credit card prior to a previously authorized charge or engages in any other intentional non-payment, it will be deemed a payment made in bad faith and a violation of the contract. All projects will be frozen, refunded, or dealt with in a manner MyFilmmaker.com deems appropriate.

Additionally, User agrees that MyFilmmaker.com may pursue whatever legal means become necessary to secure repayment of the entire amount of the bad faith payment from the User, including by offsetting any amounts due against any amounts held by MyFilmmaker.com in any User account or that become due to User from any other User. User agrees to pay all MyFilmmaker.com costs in securing such payment, including collection agency costs and reasonable attorneys' fees.

### **Currency**

The Payment Service operates in US Dollars, Canadian Dollars and Euros. MyFilmmaker.com is not responsible for currency fluctuations that occur when billing or crediting a credit or debit card denominated in a currency other than that agreed upon in the Service Contract, nor is MyFilmmaker.com responsible for currency fluctuations that occur when receiving or sending payment via wire transfer, check or other means.

### **Agreement to Pay**

If, for any reason, MyFilmmaker.com does not receive payment for any amounts that User has authorized to be paid through User's use of the Payment Service or other payment method provided by MyFilmmaker.com, User agrees to pay such amount immediately upon demand by MyFilmmaker.com. User also agrees to pay any interest charges, attorneys' fees and other costs of collection incurred by MyFilmmaker.com in collecting from User the authorized but unpaid amount. In such case, MyFilmmaker.com may, at its option, stop processing any further payments made by User and apply any amounts then held by MyFilmmaker.com on User's behalf toward any deficiencies, losses or costs that MyFilmmaker.com has incurred as a result of User's use of the Payment Service or other MyFilmmaker.com Service, including by offsetting any amounts due against any amounts held by MyFilmmaker.com in any User account or that become due to User from any other User. We may also make appropriate reports to credit reporting agencies, financial institutions, tax agencies and law enforcement authorities, and cooperate with them in any resulting investigation or prosecution.