

FILM FINANCING AGREEMENT

“LIONS”

This Film Financing Agreement (the “Agreement”) is entered into as of _____, 2023 by and Pixhug Media Inc, a BC company (the “BC Co.”), and the persons named on the signature page hereto (each, an “Investor” or collectively the “Investors”), with reference to the following.

WHEREAS, the BC Co. has been engaged to produce, own and exploit a Motion Picture based on the script known as “Lions of the Sea”, produced by Luis Felipe Fernandez-Salvador y Campodonico (representing Paracas Films), Mido R. DeSanti and Adam Leipzig, (the “Project”), and the Investors 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, all the Project’s subsidiary and ancillary rights, such as the right to synopsize the Project for promotion or advertising; remake, sequel, and spin-off rights; all soundtrack, score, and music rights; and the rights to merchandise elements of the Project;

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

1. Contributions. The parties shall make the contributions for the production of the Project

2. Investment. _____ (for purposes of this Section 2, the “Holder”) hereby agrees to invest in the BC Co. the amount of Forty Thousand Dollars (US\$40,000.00) (the “Investment”). Upon receipt of such funds in the form of a wire, the BC Co promises to pay the Holder the principal amount of such investment, with interest on such amount until paid, at the rate set forth below and payable pursuant to terms and conditions contained herein:

2.1 Interest Rate. The amount of principal shall bear interest at a rate of fifty percent (50%) per flat. Interest shall accrue on the principal balance from and after the date such amounts are invested, and shall be calculated on the moment the film is released and generates revenue.

2.2 Term. The term of the investment shall be for a period beginning on the date set forth above, and ending on the date the principal amount of such investment, and all accrued interest, is paid to the Holder as provided in Section 2.5 below (the “Maturity Date”).

2.3 Payment. The investment shall be paid on a first-money-out basis, ahead of any other disbursements to the production company, other investors or film crew. Any payment hereunder shall be applied first to the payment of costs and charges of collection, if any, then to accrued interest, and the balance, if any, shall be then applied to reduction of principal. Principal and interest are payable in US Dollars. The BC Co may prepay the investment in full or in part at any time without a prepayment charge.

2.4 Default/Acceleration. If any one or more of the following events shall occur (hereinafter called an “Event of Default”), namely: (i) the BC Co shall fail to make payment as provided in Section 3 below, and such failure is not cured within five (5) business days of written notice by Holder to the BC Co; or (ii) the BC Co shall make an assignment for the benefit of his creditors, or shall file or commence, or have filed or commenced against him any proceeding for any relief under any bankruptcy or insolvency law, or a receiver or trustee shall be appointed for the BC Co; THEN, upon the occurrence of any such Event of Default, Holder at its election, and without presentment, demand

or notice of any kind, all of which are expressly waived by the BC Co, may declare the entire outstanding balance of principal and interest thereon immediately due and payable.

2.5 Maturity Date. The note is due 12 months from the date of this agreement.

2.6 Credits and participation The note holder is entitled to end film special thank you credits and exclusive invitations to screening and film award ceremonies to be announced at a later date.

3. Investment Acknowledgement and Representations.

3.1 Investor Acknowledgements. Each Investor understands:

(a) 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., the California Securities Law of 1968, or any other state securities laws (the “Securities Acts”), because the BC Co and its Ecuador based production company 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;

(b) That BC Co has relied upon the fact that the distribution rights are to be held by each Investor for its own investment account; and

(c) That exemption from registration under the Securities Acts may not be available if the distribution rights were acquired by the Investor with a view to distribution.

3.2 Investor Representations. Each Investor represents that:

(a) 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.

(b) Before making an investment, such Investor has investigated the BC Co and its business, and the Project, and such Investor has 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.

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

3.3 Risk Factors. Each Investor acknowledges that (i) the business of film production involves a degree of risk, and is subject to the influence of numerous factors which are outside of the control of the BC Co, and (ii) such Investor may lose the value of its investment if the Project cannot be completed or is not commercially successful.

4. 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 the BC Co reasonably determines that the issuance of a press release or other disclosure is required under federal or state securities laws, BC Co shall be permitted to issue such press release and/or provide such disclosure.

5. Governing Law. This Agreement shall be governed by and construed under the laws of British Columbia as such laws are applied to contracts.

6. Execution in Counterparts. This Agreement may be executed in one or more counterparts, which may be delivered by facsimile, each of which shall be considered an original instrument, but all of which shall be considered one and the same Agreement.

7. 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.

8. Binding Effect. 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.

9. 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.

10. Inspection of Records. Each Investor shall have the right, at all 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 Company at its principal place of business. Such right may be exercised through any agent or employee of a Investor designated by such Investor or by an independent certified public accountant designated by such Investor. Each 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 Investors agree that they shall not cause any unreasonable interference with or disruption of the Company business.

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

Pixhug Media Inc.

By Mido R. DeSanti

_____, Holder

Bank wire information



BENEFICIARY: PIXHUG MEDIA INC.

1055-2400 West Georgia St, Vancouver, BC, V6E 3P3

Destination bank: Bank of Nova Scotia

44 King Street West

Toronto, ON M5H 1H1 - Canada

SWIFT CODE: NOSCCATT

ACCOUNT NUMBER: 711 000 117 617