

Terms and Conditions

Unknown Movie

Feature film funding and development
Brought to you by the founder of [THE FILM FUND](#)

1. Project Overview:

Producers (doubling as investors) will submit a film script along with a monetary investment of their choice, with a minimum investment ticket of \$100 USD, until a minimum investment amount of one hundred eighty-five thousand dollars (\$185,000 USD) is reached (the “Investment”). Using patent-pending software, ProducerScore, we score each script using industry-standard criteria and box office data. 10 projects will be selected and might be produced in accordance with the terms and conditions outlined in Section 3 of this Agreement (as defined below).

For the avoidance of doubt, the Investment amount can be increased or decreased at the Company’s sole discretion.

This document outlines the terms and conditions (the “Terms and Conditions” or the “Agreement”) governing investments in the project ("Project") initiated by Unknown Nightmare LLC ("Unknown Movie" or the "Company"). Please read these Terms and Conditions carefully before investing.

2. Submission Requirements for Creators

Any person interested in submitting a film script (the “Creator”) for consideration in the Project must provide their original feature-length script. Our patent-pending script analysis software will assess and generate an overall projected box office score for each submission.

Creators are responsible for ensuring that all submitted materials comply with the specified guidelines. Failure to meet these submission requirements may result in exclusion from consideration in the Project, at the Company’s sole discretion.

3. Evaluation Criteria

The evaluation of projects will take into account industry-standard criteria and box office data. These criteria may include, but are not limited to, Character, Conflict, Craft, Dialogue, Logic, Originality, Premise, Structure, and Tone, each of which are further described below:

3.1 Character: The success of a script hinges on the development of its protagonist, with in-depth analysis dedicated to the primary characters. Readers must grasp the emotional motivations and desires of the protagonist before they can invest in their journey. Nearly every scene should contribute relevant information to the protagonist's character arc.

Key questions addressed in the character section include:

- a) Define the focal character. If it's a single protagonist, provide a clear characterization. If it's a two-hander, define both characters. If it's an ensemble, address one character at a time.
- b) Examine the five beats of the character arc for the focal character(s).
- c) Is there a well-defined backstory for the character?
- d) Does the character have a clear goal or "want"?
- e) Is there a distinct weakness, fear, vulnerability, or internal need separate from their goal?
- f) Does the character take an active approach to achieving their goal?
- g) If applicable to the narrative, does the character undergo a change or learn a lesson that completes their arc?
- h) Assess the effectiveness of each of the five beats in achieving their purpose.
- i) Analyze the role of supporting characters in challenging, stimulating, or aiding the protagonist's growth.
- j) Evaluate whether supporting characters embody specific archetypes (attractor, ally, mentor, antagonist, etc.), and if there is an antagonist, assess their foil to the protagonist.
- k) Examine the distinctiveness of supporting characters from each other and from the protagonist.
- l) Consider whether the number of characters is appropriate for the narrative or if it becomes confusing.

3.2 Conflict: Conflict is the driving force of a story, and the central conflict should be universal and pervasive throughout the narrative. Minor conflicts add complexity to the protagonist's struggle, and even secondary characters and antagonists should have their own conflicts.

Key questions regarding the conflict include:

- a) Is the main conflict sufficient to sustain the story and challenge the protagonist consistently?
- b) Is the main conflict well-defined, with clear stakes?
- c) Does the conflict resonate with the human condition, allowing a broad audience to relate to it?
- d) Are the stakes established early and believable in the context of the conflict?
- e) Does the conflict align with what we know about the character?
- f) Does the conflict escalate as the story progresses?
- g) Does the main source of conflict evolve or remain consistent?
- h) Do subplots also introduce conflict?
- i) Is there a balance of external conflict (events) and internal conflict (feelings)?
- j) Does the conflict progress as the story unfolds, avoiding stagnant moments?
- k) Are conflicts among characters effectively presented, or do they always agree on everything?
- l) Is everything addressed in the climax?

3.3 Craft: The Craft section assesses the overall quality of the writing. It covers language usage, action descriptions, character descriptions, camera direction, “unfilmables,” and any grammatical errors, typos, or formatting issues.

Key questions related to craft include:

- a) Does the writer's use of the English language enhance or hinder the story?
- b) Is the script formatted following industry standards?
- c) Are there spelling and grammatical errors? Are sentences grammatically correct? Is the sentence structure clear?
- d) Is the writing clear, concise, and descriptive, or is it confusing, lengthy, and lacking detail?
- e) Does the writing create vivid mental imagery?
- f) Is there unnecessary or excessive detail, camera direction, actor direction, or parentheticals in dialogue?
- g) Is proper formatting used, including character capitalization, margin alignment, and font style?
- h) Is everything described in a way that can be shown on screen, or are there "unfilmables" or omniscient information that should be minimized?

3.4 Dialogue: Although film is a visual medium, dialogue plays a vital role in character development and audience connection.

Key questions regarding dialogue include:

- a) Does dialogue distinguish and strengthen each character's individuality, ensuring that characters sound authentic to their backgrounds and personalities?
- b) Are characters' unique personalities expressed through their dialogue, including speech patterns, mannerisms, and behaviors?
- c) Is each character's voice consistent throughout the story?
- d) Is dialogue free from being on-the-nose and overly explicit? Does it contain subtext and nuance?
- e) Is there an appropriate balance between dialogue and action?

3.5 Logic: The section evaluates the script's adherence to its own established rules, whether in a fantastical or reality-based world.

Key questions related to logic include:

- a) Does the script follow its own logic and address questions consistently?
- b) Are there any plot holes or inconsistencies in the story?
- c) Is the internal logic of the script maintained, even in a fantastical setting?

- d) Do characters act in accordance with the information they have, and is there clarity and consistency in the script's world?

3.6 Originality: Originality is assessed by considering how fresh and unique the script feels within its genre.

Key questions related to originality include:

- a) Is the core concept of the script inherently interesting and original?
- b) Does the script introduce new perspectives or a unique world, situation, culture, or science within its genre?
- c) Does the script make fresh contributions to its genre or provide a unique perspective on familiar themes?
- d) Are there themes, plots, or characters reminiscent of previous films, and if so, what elements are derivative?

3.7 Pacing: Pacing evaluates the balance between tension and release, ensuring that the story progresses at an engaging pace.

Key questions about pacing include:

- a) Is the story's pacing balanced, or are there parts that feel too slow or too fast?
- b) Does each scene naturally flow from the previous one and lead into the next?
- c) Are there scenes that do not drive the story or feel excessively long?
- d) Is there an appropriate balance between action and dialogue?
- e) Is there enough mystery, tension, and release to keep the audience engaged?
- f) Is each scene logically connected to the one before it?

3.8 Premise: The Premise section assesses the central concept of the script, evaluating its conflict and growth potential, as well as any thematic elements.

Key questions in the premise section include:

- a) Can the core concept of the script be summarized quickly?
- b) Is the core concept inherently interesting and rich in conflict?
- c) Does the premise explore its potential fully and provide a foundation for character decisions and thematic depth?
- d) Are there valuable themes or messages within the premise, and is there thematic cohesion?
- e) Does the script deliver on the expectations set by the premise?

3.9 Structure: Structure evaluates the narrative's coherence and effectiveness, looking at the organization of story beats and subplots.

Key questions in the structure section include:

- a) Does the story flow smoothly from beginning to middle to end, forming a coherent whole?
- b) Are the structural beats effectively placed and timed, such as act one decision, midpoint, climax, and resolution?
- c) Are any notable structural devices effectively used?
- d) Do all scenes contribute to plot progression or character development?
- e) Are story details planted early and paid off later?
- f) Are important moments shown rather than told, and are scenes with high tension showcased?
- g) Is there an effective engine driving the plot forward?

3.10 Tone: Tone assesses the consistency and appropriateness of the script's tone within its genre and the writer's intention.

Key questions in the tone section include:

- a) Is the tone effective and consistent with the genre and the writer's intention?
- b) Does the tone change abruptly or inappropriately from one sequence to another or from the beginning to the end?
- c) Is the tone suitable for the genre and the context of the script's intention?
- d) Selection of the projects.

The selection of the projects to be produced will be conducted as follows:

- a) All submitted film scripts will be evaluated using the ProducerScore software, which assesses each script based on industry-standard criteria and box office data.
- b) The ten (10) projects will be chosen based on the highest scores awarded by the ProducerScore software.
- c) From the pool of the selected projects, one (1) initial project will be selected at Unknown Movie's sole discretion to be produced (the "Project"), which includes but is not limited to, securing a deal with a distributor.

4. Investment Through Wefunder

Investors ("Investors") participating in the Project shall make their investments through Wefunder, a crowdfunding platform used for investment purposes ("Wefunder"). Unknown Movie will establish a listing profile on Wefunder where a new special purpose vehicle ("SPV") will be created for the purpose of managing investments related to the Project.

By investing through Wefunder, Investors acknowledge and agree to abide by all the terms and conditions of Wefunder, including but not limited to:

- Wefunder's terms of service
- Wefunder's privacy policy
- Wefunder's investment agreements
- Any other terms and conditions specific to Wefunder's platform

Investors shall adhere to the rules and regulations set forth by Wefunder, as applicable to their investments. Unknown Movie is not responsible for the terms and conditions governing investments made through Wefunder and shall not be held liable for any issues or disputes arising from such investments.

The SPV, established on the Wefunder platform, is a legal entity created with the exclusive purpose of aggregating and holding the individual investments made by investors in the Project. The SPV operates as a distinct financial vehicle, legally segregating the pooled capital from the personal assets of Investors and serving as a collective investment vehicle, consolidating the financial contributions of multiple Investors into a single entity for the purposes of executing the Project.

Upon the establishment of the SPV, said SPV shall enter into the necessary documentation in order to acquire a percentage of the ownership stake in Unknown Movie as set forth in the Waterfall Agreement (as defined below), including but not limited to a Contribution Agreement and the Company's Operating Agreement, as applicable.

5. Creation of the Producer LLC

Simultaneously with the creation of the SPV, a new Limited Liability Company (LLC), hereinafter referred to as "Unknown Movie 1 LLC," will be created by Unknown Movie, which will be exclusively responsible for producing, overseeing, managing, and executing all aspects of the Project. Unknown Movie shall be the sole owner of Unknown Movie 1 LLC. As the sole owner, Unknown Movie will receive the entire collective investment amount initially held by the SPV, sourced from the Investors through Wefunder. Subsequently, this amount will be invested into Unknown Movie 1 LLC for the execution of the Project.

As a result and following the proposed corporate structure, the Investors will be indirect owners of the intellectual property owned by Unknown Movie 1 LLC.

The selection of the legal entity and the specific details of the Unknown Movie 1 LLC structure will be determined at the sole discretion of Unknown Movie in accordance with industry standards and the Project's requirements.

Subject to the approval of Unknown Movie, Creators may be granted the opportunity to direct the Project. This approval will be at the sole discretion of Unknown Nightmare and will depend on factors including but not limited to the Producer's experience and the suitability of their vision for the Project.

6. Submission of Projects in Production or Post-Production

Creators are permitted to submit projects that are either in the early stages of production or have entered post-production. For projects in these stages, the investment received will be allocated as follows:

- a) **Completion of Production:** If the project is in production, the investment may be used to fund the remaining production activities, including but not limited to, filming, editing, and post-production work.
- b) **Distribution:** For projects that are in post-production, the investment may be utilized to cover the costs associated with the distribution of the Project, including securing a distributor and marketing expenses.

The structure of the investment and management of the Project, including the creation of a SPV and the new Limited Liability Company (LLC), will remain as described in Section 4 and 5 of this Agreement. The rights and responsibilities of Unknown Nightmare and the Investors, including the indirect ownership of intellectual property through Unknown Movie 1 LLC, shall be consistent with the terms set forth in Section 4 and 5.

All investments in projects at these stages will be subject to the same evaluation criteria and selection process outlined in Section 3 of this Agreement.

7. Investor Ownership

Ownership of each Investor in the SPV will be proportionate to their investment. The exact terms of ownership and investment proportions will be detailed in the separate investor agreement specific to the chosen Project through Wefunder.

8. Investor Documentation Requirements

Investors participating in the Project, shall be obligated to enter into all necessary documentation and agreements as required by Unknown Movie and/or Wefunder, either directly or through the SPV. These documents may include, but are not limited to investment agreements, ownership and operating agreements, confidentiality agreements, and any other relevant documentation determined by Unknown Movie and/or Wefunder.

The purpose of these documentation requirements is to ensure legal and financial clarity, protect the interests of all parties, and facilitate the smooth operation of the Project and associated investments. Investors are expected to cooperate with Unknown Movie in completing and executing the required documentation.

9. Profit Distribution Upon Project Completion

Upon the successful completion of the Project and the subsequent generation of net profits by Unknown Move 1 LLC, a meticulous profit distribution mechanism will be in place, governed by

the terms set forth in a separate and comprehensive waterfall agreement, which shall be executed between Unknown Movie for the Project and the SPV, herein referred to as the "Waterfall Agreement" and attached as Exhibit A.

8.1. *Waterfall Agreement Terms*: The Waterfall Agreement is a legally binding document outlining the specific terms and conditions governing the allocation and distribution of net profits derived from the successful execution of the Project.

8.2. *Determination of Net Profits*: Net profits, for the purpose of this provision, shall be defined in the terms of the Waterfall Agreement.

8.3. *Transfer of Profits*: Following the determination of Net Profits, such profits shall be promptly and diligently distributed to the SPV, as well as the preferred return, if applicable. The distribution shall be conducted in accordance with the agreed-upon timelines and methods as stipulated in the Waterfall Agreement and Unknown Movie's Operating Agreement.

8.4. *Investor Profits Distribution*: Investors shall receive their share of the Net Profits commensurate with their respective ownership interests of the SPV.

10. Rights to Produce the selected Projects

Unknown Movie shall possess exclusive rights, at its sole discretion, to decide and determine the production of any of the other 9 projects that were selected for a specified period of 12 months from the date the first selected Project to be produced is announced. This period, herein referred to as the "Exclusive Rights Period," grants Unknown Movie the authority to negotiate, execute, and finalize agreements for the production, sale, and distribution of these projects.

Creators acknowledge and agree to respect this exclusive right, committing not to take any action or engage in any activities related to the selected projects until the expiration of the Exclusive Right Period.

11. Investor Option to Invest in New Projects

In the event that one of the selected projects is going to be produced by Unknown Movie, at Unknown Movie's sole discretion, Investors shall have the right of first refusal (the "ROFR") to invest in the newly selected project.

Once Unknown Movie decides to produce one of the other selected projects (the "New Project"), Unknown Movie shall promptly notify the Investors with the ROFR in writing of the material terms of the offer, outlining the terms, conditions, and investment requirements specific to the New Project. Upon receipt of the notice, Investors shall have a period of 30 days (the "Exercise Period") to notify Unknown Movie in writing their intention to participate in the New Project on the same conditions as stated in the notice.

In the event that any Investor fails to exercise its right within the Exercise Period, or notifies to Unknown Movie of its decision not to proceed, Unknown Movie may proceed to openly share and seek new investors for the opportunity to participate in the New Project with any third party, on the terms set forth in the initial notice.

Investors expressing interest in participating in the new project shall be subject to the conditions specified in the separate investor agreement, as will be stated through Wefunder. These conditions may include but are not limited to the investment amount, ownership percentages, and any other terms relevant to the particular characteristics of the New Project.

10.1 Corporate Structure for Each New Project

Upon the successful selection of a New Project by Unknown Movie, said New Project shall be subject to these same terms and conditions, ensuring a consistent and equitable framework for all projects associated with the original Project. However, Unknown Movie, at its sole discretion, will establish the optimal corporate structure to receive investments from investors and to produce, manage, and control the New Project.

Investors participating in any New Project, as governed by a distinct investor agreement and a new waterfall agreement, will have the right to receive a share of the profits generated by the applicable New Project proportionate to their respective investment amounts.

12. Risk Disclosure

Investors are advised that investments in the Project and the associated SPVs involve certain risks, including but not limited to market fluctuations, project-specific risks, and regulatory changes. It is essential for investors to conduct their own due diligence and seek professional advice, if necessary, before making any investment decisions.

13. Indemnification

Creators and investors participating in the Project or subsequent projects owned by Unknown Movie agree to indemnify and hold harmless Unknown Movie, its officers, directors, employees, and affiliates from any and all claims, liabilities, damages, losses, costs, and expenses, including reasonable legal fees, arising from, or related to their participation in the Project, investments, or any actions taken in connection with the Project.

This indemnification includes, but is not limited to:

- A. Claims arising from the submission of film scripts, including any allegations of copyright infringement, plagiarism, or other intellectual property violations.
- B. Claims arising from the use of patent-pending software, ProducerScore, and its evaluation of submitted film scripts.
- C. Claims related to investments made by Creators and investors.

D. Claims arising from the creation and operation of the SPV for the Project, or each subsequent new project.

Creators and investors acknowledge that while Unknown Movie endeavors to provide a transparent and fair process, certain risks and uncertainties are inherent in the creative and investment industries. By participating in the Project and making investments, they accept responsibility for any legal or financial consequences that may arise.

14. Representations, Warranties, and Rights

By participating in the Project and making investments, Creators and investors represent and warrant as follows:

Creators and investors fully own or have properly licensed whatever materials or information they submit in connection with the Project, including but not limited to film scripts and investment-related documents. Creators and investors can make such submissions without violating any applicable law, agreement with any third party, and/or third-party right of any kind. This includes, without limitation, any intellectual property, data protection, privacy, or publicity right.

Any and all materials or information provided by Creators and investors in connection with the Project shall be true and correct in all respects.

Furthermore, Creators and investors grant Unknown Movie the following rights and licenses:

Unknown Movie shall have the irrevocable, transferable, and fully sublicensable right and license (but not the obligation) to exploit any and all materials or information provided by Creators and investors in any manner it elects to promote the Project, its business, brand, products, and/or services, throughout the world, in perpetuity, and in any and all media, now or hereafter known.

15. Breach and Injunctive Relief

Creators and investors recognize and acknowledge that a breach of their obligations pursuant to this Agreement may cause irreparable and material loss and damage to Unknown Movie and/or its affiliates, the amount of which cannot be determined readily, and for which Unknown Movie and/or its affiliates will not have an adequate remedy at law or in damages. Accordingly, in addition to any remedy Unknown Movie and/or its affiliates may have in damages by an action at law, Unknown Movie and/or its affiliates shall be entitled to the issuance of an injunction restraining any such breach or threatened breach or any other remedy at law or in equity for any such breach.

16. Release and Indemnification

Subject to applicable law, by participating in the Project and potentially receiving any benefits or rewards, each Creator, and Investor agrees to release, discharge, and hold harmless Unknown Movie, its employees, officers, directors, affiliates, partners, agents, and assigns, from and against

any claim, cause of action, demand, or proceeding (each, a "Claim"), and any resultant loss, injury (including death), cost, expense, fee, fine, penalty, or other loss or expense of any kind, including attorneys' fees (each, a "Loss"), relating to or arising directly or indirectly out of their participation in the Project (or related activities), and/or Unknown Movie's right to exploit Creator's name and/or likeness or fully exploit any other right granted to it hereunder, and/or from Creator's receipt, use, or misuse of any benefits or rewards, no matter how such Claim or Loss arises.

17. Limitation of Liability

In no event will Unknown Movie, and/or Unknown Movie's parent, subsidiary, licensees, employees, agents, officers, directors, assigns, affiliates, or related companies (collectively with Unknown Movie, the "Unknown Movie Parties"), be responsible or liable for any indirect, incidental, consequential, or punitive damages (including without limitation lost profits) arising out of any Creator's participation in the Project, these terms and conditions, and/or any Creator's receipt of a benefit, no matter under what theory arising, even if any Unknown Movie Party has been advised of the possibility of such damages. Unknown Movie Parties' entire liability with respect to any Creator's participation in the Project, these terms and conditions, and/or any Creator's receipt of a benefit shall be limited to the investment amount. Some jurisdictions may not allow the aforementioned limitations or exclusions of liability, and as such, the above limitations or exclusions may not apply to you. Check your local laws for any restrictions or limitations regarding these limitations or exclusions.

18. Use of Collected Materials and Information

Unknown Movie will be collecting, storing, and exploiting personal data about Creators to administer the Project and exercise its rights hereunder, including, without limitation, those relating to marketing and publicity. By accepting this terms and conditions, Creators agree to Unknown Movie's collection and use of their personal information. Unknown Movie will not disclose any Creator's personal information to any non-affiliated third party. Any personal data relating to the selected Project or any New Project or any other Creators will be used solely in accordance with applicable data protection legislation and will not be disclosed to a third party without the Creator's prior consent.

19. Confidentiality

Investors shall maintain the confidentiality of all information related to the Project and the selected projects disclosed by Unknown Movie. Non-disclosure agreements may be required for specific projects.

20. Governing Law

This Agreement is governed by the laws of Pennsylvania, and any disputes arising out of or related to this Agreement shall be subject to the exclusive jurisdiction of the courts of Pennsylvania.

21. Contact Information

For any inquiries or concerns regarding this Agreement, please contact:

Unknown Movie LLC
3302 St. Davids Road
Newtown Square, PA 19073
tom@unknownnightmare.com

22. Acceptance of Terms

By investing in the Project, you acknowledge that you have read, understood, and agreed to the terms and conditions outlined in this agreement. Your investment will be subject to these terms.

23. Amendment and Termination

Unknown Movie reserves the right to amend or terminate these terms and conditions at its discretion. Investors will be duly notified of any changes or terminations.

Last update: August 6th, 2024