

## Game Development Loan Agreement

This Game Development Loan Agreement ("Agreement") is made between Indie Fund LLC ("Indie Fund"), a California LLC, and \_\_\_\_\_, a \_\_\_\_\_ ("Developer"), on \_\_\_\_\_ ("Effective Date").

1. Purpose. Indie Fund agrees to make a loan to Developer for the purpose of assisting Developer in the development of the video game \_\_\_\_\_ ("Game"). The loan will consist of an initial payment ("Initial Advance") in the amount of \_\_\_\_\_ USD and an additional payment in the amount of up to \_\_\_\_\_ USD which is subject to adjustment as described in Section 3 ("Additional Advance"). The total principal amount of the loan shall equal the sum of the Initial Advance and the Additional Advance delivered to Developer by Indie Fund under this Agreement ("Loan").

2. Disbursement of Loan. The Loan shall be disbursed as follows:

(a) Upon execution of this Agreement, Indie Fund will deliver the Initial Advance to Developer.

(b) Subject to adjustment (Section 3) or termination (Section 5), Indie Fund will make a payment to Developer in the amount of the Additional Advance upon request from the Developer that they require additional funding. Such request should be made at least thirty (30) calendar days in advance.

3. Adjustments. Upon written request by Developer, Indie Fund will reduce the amount of the Additional Advance to the amount requested by Developer. Developer may request to adjust the Additional Advance to a higher value, but approval of that increase would be at Indie Fund's sole discretion.

4. Reporting. Upon request, Developer will electronically deliver the following set of materials to Indie Fund ("Development Update"):

(a) The latest build of the Game;

(b) An outline of the work that has been done on the Game since the last Development Update

5. No Obligation to Make Additional Advance. Indie Fund shall have no obligation to pay the Additional Advance and may, in its sole discretion, suspend or terminate the Additional Advance at any time upon written notice to Developer.

6. Repayment. Developer shall pay to Indie Fund one hundred percent (100%) of the gross revenue received by Developer from the licensing, sale, distribution or other exploitation of the

Game ("Gross Revenue") and fifty percent (50%) of the gross revenue received by Developer from the licensing, sale, distribution or other exploitation of any work based upon or derived from the Game, until the total amount paid by Developer to Indie Fund equals the Loan. Games that share only technology with the Game are not considered derivative works. Such payments shall be delivered to Indie Fund within thirty (30) days after receipt by Developer. Any late payments under this agreement will accrue interest at the rate of two percent (2%) per month or the highest interest rate permitted by applicable law, whichever is lesser, with a partial month treated as a full month. Revenue generated from Game after the Effective Date and before its release (e.g. pre-orders) is subject to Revenue Share (see Section 7) after the game is released and does not count towards Repayment.

7. Revenue Share. As additional consideration for Indie Fund's willingness to make the Loan to Developer, Developer agrees to pay Indie Fund 25% of all Gross Revenue (including revenue generated by exploitation of any work based upon or derived from Game) received by Developer above the Loan amount ("Revenue Share"). The Revenue Share shall apply to the first dollar received by Developer above the Loan amount and all gross revenue received by Developer until the total payment to Indie Fund (Repayment plus Revenue Share) is equal to twice the Loan, or the Term has been reached. Developer shall pay the Revenue Share to Indie Fund monthly, within fifteen (15) days after the end of the month in which Developer received the revenue subject to the Revenue Share.

8. Representations and Warranties. Developer warrants and represents that:

(a) Developer is a duly organized and existing business entity and in good standing under the laws of the state or country of its formation and is duly qualified or licensed to do business in all other countries, states and provinces in which the nature of its business or the ownership or use of property require Developer to be so qualified and/or licensed.

(b) Developer has the right and power and is duly authorized and empowered to enter into, execute, deliver and perform this Agreement.

(c) The execution, delivery and performance by Developer of this Agreement shall not constitute a violation of any applicable law or a breach of any agreement to which Developer is a party or by which it is bound.

(d) The Game and all elements thereof are and shall be original works of authorship of Developer and no part thereof will misappropriate, infringe upon or violate any patent, copyright, trademark, trade secret, or other property right of any third party.

(e) Developer will use the Loan proceeds solely for the purpose of developing the Game

9. Reporting and Restrictions. So long as any Loan or Revenue Share payment is outstanding,

Developer:

(a) Shall not sell, encumber or lease all or substantially all of its assets without prior written approval from Indie Fund.

(b) Shall not enter into any agreements relating to Game that may affect repayment of Loan or Revenue Share without prior written approval from Indie Fund. This includes, but is not limited to, publishing agreements, funding agreements, porting agreements, and promotional agreements.

(c) Shall provide Indie Fund with a monthly revenue report itemizing all revenue received from the exploitation of the Game. If Developer receives revenue or sales reports from third parties, Developer shall provide such reports to Indie Fund within fourteen (14) days of receipt.

10. Audit Rights. Upon request, Developer will provide Indie Fund with Developer's financial records for the period starting with the Effective Date of this Agreement and ending with the date on which the Term is reached.

11. Term. This Agreement will expire two (2) years after the first commercial release of the game, or when the total payment to Indie Fund equals twice the Loan, whichever is sooner. Sections 8, 10, 13, 14 and 15 shall survive expiration.

12. Termination. Developer and Indie Fund may terminate the Agreement at any time, with or without reason, upon 30 days written notice. Sections 6-15 shall survive Termination. If either party terminates the Agreement, both parties may, upon written notice and within 30 days of termination, terminate the trademark license granted in section 14.

13. Breach. If Developer breaches this agreement, Indie Fund may send Developer a written Notice of Breach. If Developer does not remedy the Breach within 30 days of Notice, the principal of the Loan becomes due immediately and begins accruing interest at two percent (2%) per month or the highest interest rate permitted by applicable law, whichever is lesser, with a partial month treated as a full month.

14. Announcement and Limited Trademark License. Developer and Indie Fund agree to work together on the timing and content of the announcement of this Agreement. Developer grants Indie Fund a limited, non-transferable, non-exclusive, irrevocable, royalty-free, perpetual license to reproduce and display Developer's trade name, logo and trademarks on Indie Fund's website and in Indie Fund promotional and other materials for the purpose of promoting Indie Fund and as an example of the projects Indie Fund has funded. Indie Fund grants Developer the same license with respect to Indie Fund's trade name, logo and trademarks. Neither party will make use of these rights until this Agreement is announced as provided herein.

15. General.

(a) This Agreement is governed by California law, without giving effect to its choice of law rules. The courts located in San Francisco, California will have exclusive jurisdiction of any controversies regarding the Agreement and any action or other proceeding which involves such a controversy shall be brought in those courts and not elsewhere.

(b) For the convenience of the parties, this Agreement may be executed in counterparts, which together shall constitute one agreement. The counterparts of this Agreement may be delivered via electronic means, with the intention that they shall have the same effect as an original counterpart.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written.

DEVELOPER

INDIE FUND, LLC

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Name

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Name

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Signature

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Signature

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Title

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