

Distributor's Assumption Agreement

Whereas _____ (the "Distributor") is an Approved Distribution Guarantor, and has acquired from _____ (the "Producer") certain rights in the Production entitled _____ (the "Production");

And Whereas the Production was produced pursuant to the ACTRA Independent Production Agreement, covering Performers in Independent Production between the Canadian Film and Television Production Association (CFTPA), the Association des Producteurs de Film et de Television du Quebec (APFTQ) and the ACTRA Performers Guild (ACTRA) in effect from August 9, 1999 to December 31, 2001 (the "IPA");

The parties hereto agree as follows:

1. In consideration of ACTRA agreeing to the licence of the rights described herein in the Production to the Distributor, the Distributor agrees that it, its successors, assigns and related companies that are not dealing at arm's length (collectively the Distributor), are bound by all continuing obligations contained in the IPA to remit Use Fees to the Performers in the Production payable under Part B of the IPA. The Distributor acknowledges receipt of the IPA and warrants that all Use Payments that shall become due and payable pursuant to Part B shall be paid under the terms and conditions contained in Part B.

2. The Distributor is distributing or licensing the Production:

- a) (i) in perpetuity (i.e. for the period of copyright and any renewals thereof), or
- (ii) for a limited term of _____ years.

b) Territories: (please provide list)

- i) _____
- ii) _____
- iii) _____
- iv) _____
- v) _____

c) Media: (please refer to Article B3 and provide list)

- i) _____
- ii) _____
- iii) _____
- iv) _____
- v) _____

3. The Distributor acknowledges and agrees that its right to distribute or license the Production or to in any way exploit the rights in the Production that it is licensing, shall be subject to and conditioned upon the prompt payment of Use Payments to the ACTRA Performers Rights Society ("ACTRA PRS"), in respect of the Performers in the Production. It is agreed that ACTRA PRS shall be entitled to pursue all remedies available at law, in the event that such Payments are not made when due in addition to the remedies provided for in Part B.

4. The Distributor acknowledges that in accordance with Article B510, the aggregate Use Payments are due on a bi-annual basis for the first two years after the completion of production, and annually thereafter, which payments are to be sent along with the reports showing Gross Revenue during the preceding time period. The Distributor shall also make available for inspection by ACTRA PRS all statements delivered to the Producer or to Government funding agencies or financiers regarding Gross Revenue. Any payments received after the due date shall be subject to a claim for interest at the Prime rate of interest plus 3%, calculated monthly.

5. The Distributor acknowledges its obligation under Article B510 that while it is holding the aggregate Gross participation payments, prior to their disbursement, such monies are deemed to be held in trust for the Performers until disbursement to the ACTRA PRS. In the enforcement of this Article, ACTRA, subject to its rights as a creditor, shall agree to not hold any employee of a Producer (or Distributor) liable for negligence, provided the said employee acts in a bona fide fashion.

6. As the Producer has executed a Security Agreement and financing statement in favour of ACTRA, the Distributor acknowledges and agrees that its right to distribute or license the Production or to in any way exploit the rights in the Production that it is licensing, are subject and subordinate to ACTRA's Security Interest. ACTRA agrees that so long as the Use Payments are remitted in a timely manner, it will not exercise any rights under its Security Agreement which would in any way interfere with the Distributor's rights to distribute or license the Production and receive all revenue therefrom.

7. The Distributor will only be relieved of its obligations to ACTRA upon any sale or other disposition of the Production or any rights in the Production to a third party, if the third party which acquires the Production or any such rights signs an Assumption Agreement in this form with Distributor and ACTRA.

8. ACTRA hereby relieves the Producer of its obligations under the IPA with respect to the Production.

9. The parties hereto acknowledge that any dispute arising from the interpretation, administration or enforcement of this Agreement and the relevant Articles of Part B of the IPA shall be submitted to final and binding arbitration under Article B701 and Appendix 11.

Dated this _____ day of _____, _____

Distributor

Per: _____/
(print name / title)

The ACTRA Performers Guild - Branch

The ACTRA Performers' Rights Society

Per: _____
(print name / title / branch)

Per: _____
(print name / title)

Producer

Per: _____/
(print name / title)