TELEVISION DISTRIBUTOR’S ASSUMPTION AGREEMENT

In consideration of the execution of a DISTRIBUTION AGREEMENT between ________________________________ ("Producer") and the undersigned Distributor, Distributor agrees that the motion picture presently entitled _________ (the "Picture") is subject to the current Screen Actors Guild-American Federation of Television and Radio Artists Agreement for Independent Producers of Television Motion Pictures, or its predecessor agreement, as applicable, as either may be amended, supplemented, or replaced ("Television Agreement") covering television motion pictures and particularly to the provisions of (strike those of the following clauses (1), (2), (3) or (4) which are not applicable):

(1) Section 18 thereof, pertaining to additional compensation payable to performers when television motion pictures are rerun on free television in the United States and Canada, and Section 22 pertaining to applicable pension and health contributions, if any are required;

(2) Section 18.1 thereof, pertaining to additional compensation payable to performers when television motion pictures are released to basic cable and Section 22 pertaining to applicable pension and health contributions, if any are required;

(3) Section 19 thereof, pertaining to additional compensation payable to performers when television motion pictures are exhibited theatrically and Section 22 pertaining to applicable pension and health contributions, if any are required; and

(4) Section 20.1 thereof, pertaining to additional compensation payable to performers when television motion pictures, the principal photography of which commenced on or after October 6, 1980, are released in Supplemental Markets and Section 22 pertaining to applicable pension and health contributions, if any are required.

Distributor is distributing or licensing the Picture for distribution (select one)

in perpetuity (i.e., for the period of copyright and any renewals thereof)

for a limited term of _______ years

in the following territories and media (indicate those that are applicable):

Territory:

_____ Domestic (the U.S. and Canada, and their respective possessions and territories)

_____ Foreign (the world excluding the U.S. and Canada and their respective possessions and territories)

_____ Other (please describe):

Media:

_____ All

_____ Theatrical

_____ Home Video/DVD

_____ Pay Television

_____ Free Television (Domestic)

_____ Foreign Free Television

_____ Basic Cable
Distributor hereby agrees, expressly for the benefit of the Screen Actors Guild-American Federation of Television and Radio Artists (hereinafter "SAG-AFTRA"), as representative of the performers whose services are included in the Picture, when the Picture is exhibited on free television, foreign television, basic cable or theatrically or in Supplemental Markets (as applicable), to make the additional compensation payments required thereby, if any, and the pension and health contributions required thereby, if any, with respect to the territories, media and term referred to above as provided in the applicable Sections referred to hereinabove (all such payments are collectively hereinafter referred to as "Residuals"). Distributor, for and on behalf of the Producer, shall make all Social Security, withholding, unemployment insurance and disability insurance payments required by law with respect to the additional compensation referred to in the preceding sentence.

It is expressly understood that the right of Distributor to license the Picture for exhibition on free television, foreign television, basic cable, theatrically or in Supplemental Markets (as applicable), or to exhibit or cause or permit the Picture to be exhibited on free television, foreign television, basic cable, theatrically or in Supplemental Markets (as applicable), shall be subject to and conditioned upon the prompt payment of Residuals with respect to the territories, media and term referred to above in accordance with said applicable Sections. It is agreed that SAG-AFTRA, in addition to all other remedies, shall be entitled to injunctive relief against Distributor in the event such payments are not made.

To the extent that Producer has executed a security agreement and financing statement in SAG-AFTRA's favor in the Picture and related collateral as defined in the Security Agreement ("SAG-AFTRA Security Interest"), Distributor agrees and acknowledges that Distributor's rights in the Picture acquired pursuant to the Distribution Agreement (to the extent those rights are included in the collateral covered by the Security Agreement) are subject and subordinate to the SAG-AFTRA Security Interest. SAG-AFTRA agrees that, so long as Residuals with respect to the Picture for the territories, media and term referred to above are timely paid in accordance with said applicable Sections, SAG-AFTRA will not exercise any rights under the SAG-AFTRA Security Interest which would in any way interfere with the rights of the Distributor to distribute the Picture and receive all revenues from such distribution.

SAG-AFTRA further agrees that if it exercises its rights as a secured party, it will dispose of collateral which encompasses any of Distributor's rights or interests in, or physical items relating to, the Picture, only to a transferee which agrees in writing to be bound by SAG-AFTRA's obligations under this Assumption Agreement.

Distributor agrees to keep (i) complete records showing all cities in the United States in which the Pictures have been telecast and the number of telecasts in each such city, the television stations on which telecast, and the dates thereof; (ii) complete records showing Distributor's Foreign Gross for the Picture(s) to the extent that such records are pertinent to the computation of payments for foreign telecasting; (iii) records showing the date on which each such Picture is first exhibited in theatrical exhibition anywhere in the world and the place of such exhibition; and (iv) complete records showing Distributor's gross receipts from basic cable exhibition and from the distribution of such Picture in Supplemental Markets. The undersigned Distributor shall also keep such records as are necessary for the computation of Residuals for reruns, foreign telecasting, basic cable exhibition, theatrical exhibition and Supplemental Market use for so long as such Residuals may be due or payable. SAG-AFTRA shall have the right, at all reasonable times, to inspect any and all such records. If Distributor shall fail to make such payments as and when due and payable, Distributor shall pay late payment damages as specified in the Television Agreement.

If Distributor has acquired the rights to distribute the Picture on free television, Distributor shall give SAG-AFTRA prompt written notice of the date on which the Picture is first telecast in any city in the United States for the second run and for each subsequent run thereafter. If the second or third run is in network prime time, the notice shall state that fact.

If the Picture is distributed for foreign telecasting and if Distributor has acquired the rights to distribute the Picture for foreign telecasting, Distributor shall furnish reports to SAG-AFTRA showing Distributor's Foreign Gross derived from the Picture until (i) the Picture has been withdrawn from distribution for foreign telecasting; or (ii) all of the performers in the Picture have received the full additional payments for such foreign telecasting to which they are entitled pursuant to the Television Agreement. Such reports shall be rendered to SAG-AFTRA on a quarterly basis during the first three (3) years in which the Picture is distributed for foreign telecasting, on a semi-annual basis for the next following two (2) years, and on an annual basis thereafter.

If the Picture is distributed in Supplemental Markets and if Distributor has acquired the rights to distribute the Picture in Supplemental Markets, Distributor shall furnish reports to SAG-AFTRA, quarterly during each calendar year, showing Distributor's gross receipts derived from such Supplemental Market use for as long as Distributor receives any such gross receipts.
If the Picture is distributed theatrically and if Distributor has acquired the rights to exhibit the Picture theatrically, the Distributor shall give prompt written notice to SAG-AFTRA of the date on which the Picture is first exhibited theatrically (1) in the United States, its commonwealths, territories and possessions and Canada and/or (2) in all other countries.

If the Picture is distributed on basic cable and if Distributor has acquired the rights to distribute the Picture on basic cable, the Distributor shall furnish reports to SAG-AFTRA, quarterly during each calendar year, showing Distributor's gross receipts derived from such distribution for so long as Distributor receives any such gross receipts.

Distributor agrees to cooperate in responding to reasonable requests from SAG-AFTRA as to whether the Picture is currently being rerun on television, distributed for foreign telecasting, on basic cable, theatrically or in Supplemental Markets. An inadvertent failure to comply with any of the notice or reporting provisions hereof shall not constitute a default by Distributor hereunder, provided said failure is cured promptly after written notice thereof from SAG-AFTRA.

In the event of any sale, assignment or transfer of any or all of Distributor’s distribution or exhibition rights in the Picture, Distributor shall remain liable for the Residuals relating to those rights unless Distributor obtains a separate, executed Television Distributor’s Assumption Agreement in this form from each such purchaser, assignee or transferee (collectively, each “transferee”) and SAG-AFTRA approves each transferee’s financial responsibility in writing. Distributor agrees to obtain from each transferee a separate written agreement in this form. SAG-AFTRA agrees that it will not unreasonably withhold its approval of the financial responsibility of any transferee. In the event that SAG-AFTRA is notified that such transferee is a Qualified Residual Payor, then the financial responsibility of that transferee shall be deemed automatically approved on the date SAG-AFTRA receives written notice of the assumption of obligations hereunder by the Qualified Residual Payor. Nothing herein shall release Producer of its obligations under the Television Agreement or any other agreement between Producer and SAG-AFTRA.

If SAG-AFTRA does not approve the financial responsibility of any transferee in writing, this TELEVISION DISTRIBUTOR’S ASSUMPTION AGREEMENT shall remain effective and binding upon Distributor with respect to any such transferred rights, and Distributor shall be obligated to pay Residuals which accrue during the term for those territories and media for which it was granted distribution rights and all extensions and renewals. Such obligations shall be subject to Section 6.C. of the Basic Agreement. The Distributor shall have the right, at its election, to cause to be immediately submitted to arbitration, pursuant to the applicable provisions of the Television Agreement, the issue of whether SAG-AFTRA has unreasonably withheld the approval of the financial responsibility of any transferee for payments due hereunder.

Distributor and SAG-AFTRA hereby agree that all disputes based upon, arising out of or relating to this Assumption Agreement, other than SAG-AFTRA’s entitlement to injunctive or other equitable relief, shall be submitted to final and binding arbitration in accordance with the arbitration provisions contained in the Television Agreement. If Distributor fails or refuses to substantially comply with its obligations to report and pay compensation as required under this Assumption Agreement, SAG-AFTRA may, in any grievance and arbitration relating to such failure or refusal, elect to either (a) enforce the relevant portions of the Television Agreement relating to such reporting and payment by ascertaining sums owed from license agreements, distributors’ statements, and other documents evidencing the revenue derived from the distribution or other exploitation of the Picture, or (b) request and obtain an award for payment of Residuals due under the relevant provisions of the Television Agreement as estimated by SAG-AFTRA in good faith. The arbitrator selected in accordance with the applicable provisions of the Television Agreement is expressly authorized to issue an award for Residuals compensation based upon SAG-AFTRA’s good faith estimate. Notwithstanding the foregoing, Distributor agrees and acknowledges that SAG-AFTRA is not precluded by this or any other provision of this Assumption Agreement from obtaining from a court injunctive relief or any other legal remedy at any time prior to arbitration or issuance of an arbitration award. The right to obtain injunctive relief from a court shall be applicable whether an arbitration proceeding has or has not been initiated and, further, without limitation, shall be applicable in conjunction with a proceeding to confirm and enforce an arbitration award against Distributor.

THIS TELEVISION DISTRIBUTOR’S ASSUMPTION AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA AND THE UNITED STATES, AS THE SAME WOULD BE APPLIED BY A FEDERAL COURT IN CALIFORNIA WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS. SAG-AFTRA and Distributor agree that any arbitration or legal action or proceeding brought to interpret or enforce the provisions of this Television Distributor’s Assumption Agreement (including an action to compel arbitration or a petition to vacate an arbitration award) shall be held or brought, in SAG-AFTRA’s sole discretion, in Los Angeles County, California or in New York County, New York. Distributor irrevocably submits to the jurisdiction of the federal and state courts therein. Distributor irrevocably waives any objection which it may now or hereafter have to the venue of any suit, action or proceeding, arising out of or relating to the Assumption Agreement brought in the State of California or in the State of New York and hereby irrevocably waives any claim that any such suit, action or proceeding in the State of California or in the State of New York has been brought in an inconvenient forum. All arbitrations shall be held in SAG-AFTRA’s office in Los Angeles, unless the parties otherwise agree, except that they shall be held in SAG-AFTRA’s New York office if the production was based in New York and a majority of the witnesses required for the hearing reside regularly in or around the New York area. If a dispute arises concerning the proper situs for the arbitration hearing(s), an arbitrator in Los Angeles shall determine that issue. The same arbitrator shall hear the merits of the matter, if he or she is available and determines that Los Angeles is the appropriate situs for the arbitration hearing(s), an arbitrator in Los Angeles shall determine that issue.
hearings(s). Notwithstanding the foregoing, SAG-AFTRA, at its option, may bring a legal action or proceeding in the courts of any country or place where Distributor or any of its assets may be found and, by execution and delivery of this Assumption Agreement, Distributor irrevocably submits to the jurisdiction of the courts of such places. All notices required or permitted under this Assumption Agreement shall be in writing and must be given by (a) personal delivery, (b) certified mail, return receipt requested, (c) first class mail, or (d) telecopy with a copy sent by first class mail addressed to the receiving party at its address as specified in this Assumption Agreement. In the case of notices sent to SAG-AFTRA, the notice must also include “Attention: General Counsel.” Any such notice shall be deemed to have been duly given or made either immediately upon personal delivery, or five (5) calendar days from the date of mailing within the United States, or seven (7) calendar days from the date of mailing across national borders. Notices sent to Distributor at the address given below (or any other address that Distributor may specify in accordance with this paragraph) shall be deemed effective and adequate under this Assumption Agreement and applicable law. Either party may change its address in accordance with the procedure contained in this paragraph. Distributor consents to service of process by personal delivery or by certified or registered mail, return receipt requested, to Distributor’s general counsel or to Distributor’s representative identified below or by first class mail to Distributor when Distributor has not designated a representative or a general counsel, or by any other method permitted by law. SAG-AFTRA and Distributor agree that signatures to this Agreement transmitted via facsimile or via electronic delivery shall be presumed authentic and deemed originals.

Date ______________________________________

("Distributor")

Address: ______________________________________

______________________________________________

By: _____________________________________________

______________________________________________

Please print name

Title: ___________________________________________

Distributor’s Representative or General Counsel:

______________________________________________