



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 SAG-AFTRA Agreement for Independent Producers of Theatrical Motion Pictures, or its predecessor agreement, as applicable, as either may be amended, supplemented, or replaced ("Basic Agreement") covering theatrical motion pictures and particularly to the provisions of (strike those of the following clauses (1), (2) or (3) which are not applicable):

(1) Section 5 thereof, pertaining to additional compensation payable to performers when theatrical motion pictures, the principal photography of which commenced after October 6, 1980 and which are covered by said Section, are released to free television, and Section 34 pertaining to applicable pension and health contributions, if any are required;

(2) Section 5.1 thereof, pertaining to additional compensation payable to performers when theatrical motion pictures, the principal photography of which commenced after June 30, 1971 but prior to July 1, 1984 and which are covered by said Section, are released in Supplemental Markets and Section 34 pertaining to applicable pension and health contributions, if any are required;

(3) Section 5.2 thereof, pertaining to additional compensation payable to performers when theatrical motion pictures, the principal photography of which commenced after July 1, 1984 and which are covered by said Section, are released in Supplemental Markets and Section 34 pertaining to applicable pension and health contributions, if any are required.

(4) Sideletter 22 thereof, pertaining to additional compensation payable to performers when theatrical motion pictures, the principal photography of which commenced on or after July 1, 1971, and which are covered by said Section, are released in New Media and Section 34 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

_____ Home Video/DVD

_____ Pay Television

_____ Free Television

_____ New Media

_____ Other (please describe):

_____ See description attached hereto as Exhibit "A" and incorporated herein by reference.

Distributor hereby agrees, expressly for the benefit of the Screen Actors Guild-American Federation of Television and Radio Artists ("SAG-AFTRA"), as representative of the performers whose services are included in the Picture, when the Picture is telecast on free television or exhibited in Supplemental Markets or New Media (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, Supplemental Markets, or New Media (as applicable), or to exhibit or cause or permit the Picture to be exhibited on free television, Supplemental Markets, or New Media (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 SAG-AFTRA-Producer 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 that 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.

Within a reasonable time after the expiration of each calendar quarter, but not exceeding sixty (60) days, Distributor will furnish or cause to be furnished to SAG-AFTRA a written report showing the gross receipts during the preceding quarter from the distribution of the Picture by Distributor on free television, Supplemental Markets, or New Media (as applicable), with respect to which Distributor is required to make payments hereunder, (whether distributed by the Distributor or through another distributor), and showing the date of the first exhibition on television, Supplemental Markets, or New Media (as applicable), and whether such exhibition was on network television and, if so, whether in prime time.

Distributor shall also make available for inspection by SAG-AFTRA all Distributor's statements delivered to Producer insofar as they relate to such gross receipts. SAG-AFTRA shall have the right at reasonable times and on reasonable notice to examine the books and records of Distributor as to such gross receipts pertaining to such distribution on free television, Supplemental Markets, or New Media (as applicable) of the Picture. If Distributor shall fail to make such payments as and when due and payable, Distributor shall pay late payment damages as specified in Section 5, 5.1 or 5.2, whichever is applicable, of the Basic Agreement.

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 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 SAG-AFTRA is notified that such transferee is a Qualified Distributor, 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 Distributor. Nothing herein shall release Producer of its obligations under the Basic 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 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 Basic 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 Basic Agreement. If Distributor fails or refuses to substantially comply with its obligations to report and pay compensation as required under this Assumption Agreement, the Guild may, in any grievance and arbitration relating to such failure or refusal, elect to either (a) enforce the relevant portions of the Basic 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 Basic Agreement as estimated by the Guild in good faith. The arbitrator selected in accordance with the applicable provisions of the Basic Agreement is expressly authorized to issue an award for Residuals compensation based upon the Guild'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 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 Distributor's Assumption Agreement (including an action to compel arbitration or a petition to vacate an arbitration award) shall be held or brought, in the Guild'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 the Guild's office in Los Angeles, unless the parties otherwise agree, except that they shall be held in the Guild'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). 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 the Guild, 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:

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