

DISTRIBUTOR'S ASSUMPTION AGREEMENT

In consideration of the execution of a DISTRIBUTION AGREEMENT between _____ ("Employer") and the undersigned Distributor, Distributor agrees that the motion picture presently entitled

(the "Picture")

is subject to the Directors Guild of America Basic Agreement of 2005 covering theatrical motion pictures and particularly to the provisions of Articles 18 and 19 thereof (strike those of the following clauses (1) or (2) which are not applicable):

- (1) Article 18 thereof, pertaining to additional payments to Employees and the Pension Plan when theatrical motion pictures are released in Supplemental Markets; and
- (2) Article 19 thereof, pertaining to additional payments to Employees and the Pension Plan when theatrical motion pictures are released to free television.

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

_____ Pay Television

_____ Free Television

_____ Other (please describe):

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

Distributor hereby agrees, expressly for the benefit of the Directors Guild of America, herein called "the DGA" or "the Guild," as representative of the Employees who rendered services on the Picture, and for the benefit of the Pension Plan, when the Picture is telecast on free television or exhibited in Supplemental Markets (as applicable), to make the additional payments required thereby, if any, with respect to the territories, media and term referred to above as provided in the applicable Articles referred to hereinabove (all such payments are collectively hereinafter referred to as "Residuals"). Distributor, for and on behalf of the Employer, 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 or in

Supplemental Markets (as applicable), or to exhibit or cause or permit the Picture to be exhibited on free television 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 Articles. It is agreed that the Guild, 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 Employer has executed a security agreement and financing statement in the Guild's favor in the Picture and related collateral as defined in the DGA–Security Agreement ("DGA 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 DGA Security Interest.

The DGA 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 Articles that the DGA will not exercise any rights under the DGA 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.

The Guild 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 the Guild'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 the Guild a written report showing the "Employer's gross" during the preceding

quarter from the distribution of the Picture by Distributor on free television or in Supplemental Markets (as applicable), with respect to which Distributor is required to make payments hereunder, (whether distributed by the Distributor or through another distributor).

Distributor shall also make available for inspection by the DGA all Distributor's statements delivered to Employer insofar as they relate to such "Employer's gross." The Guild shall have the right at reasonable times and on reasonable notice to examine the books and records of Distributor as to such "Employer's gross" pertaining to such distribution on free television or in Supplemental Markets (as applicable) of the Picture. If Distributor shall fail to make such payments required under Articles 18 and 19 as and when due and payable, interest shall accrue at the rate of one percent (1%) per month on the unpaid balance thereof commencing to accrue from the date payment is due.

In the event of any sale, assignment or transfer of Distributor's distribution or exhibition rights in the Picture, Distributor shall remain liable for the Residuals unless Distributor obtains an executed Distributor's Assumption Agreement from such purchaser, assignee or transferee and the Guild approves in writing the financial responsibility of the party obtaining such rights. The Guild agrees that it will not unreasonably withhold its approval of the financial responsibility of any such purchaser, assignee or transferee. In the event the Guild is notified that such purchaser, assignee or transferee is a Qualified Distributor, as that term is defined in Paragraph 22-103, then the financial responsibility of such purchaser, assignee or transferee shall be deemed automatically approved on the date the Guild receives written notice of the assumption of obligations hereunder by the Qualified Distributor. Nothing herein shall release Employer of its obligations under the Basic Agreement or any other agreement between Employer and the Guild.

If the Guild does not approve in writing the financial

responsibility of the party obtaining such rights, this DISTRIBUTOR'S ASSUMPTION AGREEMENT shall remain effective and binding upon Distributor, 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 22-200 of the Basic Agreement. The Distributor shall have the right, at its election, to cause to be immediately submitted to arbitration, pursuant to the provisions of Article 2 of the Basic Agreement, the issue of whether the Guild has unreasonably withheld the approval of the financial responsibility of such purchaser, assignee or transferee for payments due hereunder.

Distributor and the Guild hereby agree that all disputes based upon, arising out of or relating to this Assumption Agreement, other than the Guild'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. Notwithstanding the foregoing, Distributor agrees and acknowledges that the Guild 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. The Guild 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 Los Angeles County, California, and Distributor irrevocably submits to the jurisdiction of the federal and state courts therein. Notwithstanding the foregoing, the Guild, at its option, may bring a legal action or proceeding outside California under the following circumstances: (i) if Distributor has no principal place of business in California; or (ii) whether or not Distributor has a principal place of business in California, to enforce or execute upon an arbitration award or court order or judgment, in any jurisdiction in which Distributor's assets are located (and Distributor irrevocably submits to the jurisdiction of the courts of such places for purposes of such execution or enforcement). 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.

Date _____
("Distributor")

Address: _____

By: _____

Please print name

Title: _____

Distributor's Representative or General Counsel:
