

**APPENDIX H**

Distributor's Assumption Agreement

(See Article A1114)

The Distributor shall sign the following Distribution Assumption Agreement on its own letterhead and forward it to the Guild office.

Whereas

\_\_\_\_\_ (Company Name)

\_\_\_\_\_ (Address)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(the "Distributor")

has acquired from

\_\_\_\_\_ (Company Name)

\_\_\_\_\_ (Address)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(the "Producer")

certain rights in the Production entitled

\_\_\_\_\_ (the "Production");

And Whereas the Production was produced pursuant to the Writers Independent Production Agreement, covering Writers in Independent Production between the Writers Guild of Canada (Guild), the Association des Producteurs de Films et Télévision du Québec (APFTQ) and the Canadian Film and Television Production Association (CFTPA) in effect from January 1, 2010 to December 31, 2011 (the "IPA");

The parties hereto agree as follows:

1. In consideration of the Guild agreeing to the licence, conveyance, sale, disposition or other transfer 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 report and remit Distribution Royalties to the Writer(s) of the Production payable under Parts A and C of the IPA. The Distributor acknowledges receipt of the IPA and warrants that all Distribution Royalty payments that shall become due and payable pursuant to the IPA shall be paid under the terms and conditions contained in the IPA.

For greater certainty, the Distributor shall be under no obligation to pay Distribution Royalties pursuant to the IPA and this Distributor's Assumption Agreement until such time as the aggregate Distributors' Gross Revenue exceeds one hundred percent (100%) of the Budget.

Only for the reporting period that coincides with the point where Distributors' Gross Revenue exceeds one hundred percent (100%) of the total Budget the amount of Distribution Royalty to be paid by the Distributor, if more than one Distributor reports Distributors' Gross Revenue for such period, shall be calculated on a pro-rata basis in accordance with the Distributors' Gross Revenue reported by that Distributor for this period for its territories listed in Paragraph 2 (b) below as compared to total Distributors' Gross Revenues reported for such reporting period.

For each successive reporting period, the Distribution Royalty shall be payable by each Distributor on all of its further Distributor's Gross Revenues for its territories listed in Paragraph 2 (b) below.

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, subject to renewal rights as follows: \_\_\_\_\_.

- b) Territories: (please 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 Distribution Royalty payments to the Guild, in respect of the Writers of the Production. It is agreed that the Guild 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 the IPA.
4. The Distributor acknowledges that in accordance with Article A1110, the aggregate Distribution Royalty payments are due at least annually while the production is in distribution, 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 the Guild 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 interest as per Article A1103.
5. The Distributor acknowledges its obligation under Article A1110 that while it is holding the aggregate Distributor's Gross Revenue, prior to its disbursement, such revenue is deemed to be held in trust for the Writers until disbursement to the Guild. In the enforcement of this Article, the Guild, subject to its rights as a creditor, shall agree to not hold any employee of the Producer (or the Distributor) liable for negligence, provided that such employee acts in a bona fide fashion.
6. The Distributor will only be relieved of its obligations to the Guild or the Writer(s) hereunder 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 the Guild.
7. The Guild hereby relieves the Producer of its obligations under the IPA with respect to the Production to the extent that the obligations are assumed by the Distributor hereunder pursuant to this Assumption Agreement.
8. The parties hereto acknowledge that any dispute arising from the interpretation, administration or enforcement of this Agreement and

the relevant Articles of the IPA shall be submitted to final and binding arbitration under Article A5.

9. The parties undersigned agree that Ontario law governs this agreement and agree in advance to the jurisdiction of Ontario courts over any dispute arising out of breach or default of this agreement.

Dated this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_

Distributor

Per: \_\_\_\_\_ / \_\_\_\_\_  
(print name / title)

Writers Guild of Canada

Per: \_\_\_\_\_ / \_\_\_\_\_  
(print name / title)

Producer

Per: \_\_\_\_\_ / \_\_\_\_\_  
(print name / title)