

APPENDIX "I"

DISTRIBUTOR'S ASSUMPTION AGREEMENT

Whereas _____ (the "Distributor") has acquired from _____ (the "Producer") certain rights in the production entitled _____ (the "Production");

And whereas the Production was produced pursuant to the 2021-2024 B.C. Master Production Agreement and Recognition of (Appendix "B") Agreement dated _____, _____ (the Agreement);

The parties hereto agree as follows:

1. In consideration of the Union agreeing to the conveyance 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 Agreement to remit Use Fees to the Performers in the Production payable under Section C of the Agreement. The Distributor acknowledges receipt of the Agreement and warrants that all Use Payments that shall become due and payable pursuant to Section C shall be paid under the terms and conditions contained in Section C.

2. The Distributor is distributing or licensing the Production:

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

b. for a limited term of _____ years.

c. Territories: (please provide list)

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____

d. Media: (please refer to Article C1 and provide list)

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____

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 purchasing, shall be subject to and conditioned upon the prompt payment of Use Payments to the Union, in respect of the Performers in the Production. It is agreed that the Union 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 Section C.

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- 4. The Distributor acknowledges that in accordance with Section C, the aggregate Use Payments are due on a bi-annual basis for the first two years after the completion of the 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 the Union, all statements delivered to the Producer or to Government funding agencies or financiers regarding Gross Revenue. Any payments that are received following the due date shall be subject to a claim for interest at the rate of Prime plus 3%, calculated monthly.
- 5. The Distributor acknowledges its obligation under Section C 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 Union. In the enforcement of this Article, the Union, subject to its rights as a creditor, shall agree to not hold any employee of a Producer (or Distributor) liable in 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 the Union, 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 purchasing, are subject and subordinate to the Union's Security Interest. The Union 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 the Union upon any sale or other disposition of the Production or any rights in the Production if the party which acquires the Production or any such rights signs an Assumption Agreement in this form with Distributor and the Union.
- 8. The Union hereby relieves the Producer of its obligations under the Agreement 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 Section C of the Agreement shall be submitted to final and binding arbitration under Article 10.

Dated this _____ day of _____, _____

Distributor Per: _____ / _____ (print name)

Address _____ Phone _____
_____ Fax _____

Union of B.C. Performers Per: _____ / _____ (print name)

Per: _____ / _____ (print name)

Producer Per: _____ / _____ (print name)