

**SCHEDULE 10
PRODUCTION GUARANTEE**

MEMORANDUM OF AGREEMENT dated this ____ day of _____, 20__.

BETWEEN:

The Directors Guild of Canada, _____ District Council (the "District Council")

AND _____ (the "Guarantor")

(insert name and address of approved production guarantor)

WHEREAS _____ (the "Producer") intends to produce a Production

entitled _____ (the "Production");

AND WHEREAS the Producer is a party to the 2010 - 2012 DGC/CMPA Standard Agreement between the Canadian Media Production Association (CMPA) and the District Councils;

AND WHEREAS pursuant to article 14.09(a) of the Standard Agreement, the District Council is entitled to require that a Producer place security in the form of a cash deposit or letter(s) of credit, at the time, in an amount, and in the manner set out in the Standard Agreement unless a production guarantee in this form signed by an approved production guarantor is accepted by the District Council;

AND WHEREAS the District Council has accepted Guarantor as an approved production guarantor;

NOW THEREFORE the parties hereby agree as follows:

1. In consideration of the District Council foregoing the requirement that the Producer put up a cash bond or letter of credit, Guarantor hereby guarantees the payment of all monies which would otherwise be secured by a cash bond or letter of credit pursuant to article 14.09(a) of the Standard Agreement, including Director rights acquisition fees and all other amounts payable after production pursuant to the Standard Agreement related to the Production.
2. If at any time, payment of any amount guaranteed herein is in default for more than 14 days, then the District Council shall be entitled to deliver to Guarantor a formal demand in writing outlining the specific sum involved and particulars of the default. On receipt of such demand, Guarantor will forthwith pay to the District Council the sum set out in such notice. If there is any dispute as to the amount owing by the Producer, or whether any amount is owing at all, Guarantor will nevertheless pay the sum set out in such notice to the District Council in trust, and the District Council will hold such sum in trust in an interest bearing account. Within 5 days of such dispute being resolved, the District Council will refund to Guarantor any sums determined to be in excess of what was owing by the Producer, along with accrued interest.
3. The District Council shall have the unilateral right to terminate this production guarantee and revert to the requirements of article 14.09(b) or (c) of the Standard Agreement if the payment of any amount guaranteed herein is in default for more than 14 days after Guarantor has been served with the demand provided in paragraph 2 herein.
4. Guarantor shall be released from the guarantee given herein and all obligations resulting therefrom on the sooner of the delivery to the District Council of a security agreement pursuant to article 14.09(b) or the delivery to the District Council of a distribution guarantee or distributor's assumption agreement from an approved distribution guarantor pursuant to article 14.10(c).
5. The termination of this production guarantee by the District Council pursuant to paragraph 3 herein shall in no way annul, terminate or otherwise affect the obligations of Guarantor with respect to any amounts accruing prior to the date of such termination by the District Council, subject to paragraph 4 herein.
6. If the District Council terminates this production guarantee pursuant to paragraph 3 herein, Producer shall, within 48 hours of receipt of written notice of such termination, post security in the form of a cash deposit or letter(s) of credit in accordance with article 14.09(a) of the Standard Agreement. If there is any dispute as to the amount owing by the Producer, or whether any amount is owing at all, Producer will nevertheless pay the sum set out in such notice to the District Council in trust, and the District Council will hold such sum in trust in an interest bearing account. Within 5 days of such dispute being resolved, the District Council will refund to Producer any sums determined to be in excess of what was owing by the Producer, along with accrued interest.

IN WITNESS WHEREOF the parties hereto have executed this production guarantee as of the date hereinabove firstly mentioned.

(Producer)

(Approved Production Guarantor)

Per _____

Per: _____

(Name of Signatory Producer)

(Name of Guarantor)

(Address of Signatory Producer)

(Address of Guarantor)

(Phone Number of Signatory Producer)

(Phone Number of Guarantor)

(Fax Number of Signatory Producer)

(Fax Number of Guarantor)

Directors Guild of Canada, _____

District Council

Per: _____