

SCHEDULE 15
ALTERNATE LETTER REGARDING PRODUCTION
OBLIGATIONS AND DISTRIBUTION RIGHTS

The Producer/Distributor shall sign the following letter agreement on its own letterhead and forward it to the local District Council office for signature.

This Guarantee Letter may only be completed pursuant to 14.09(h) and 14.10(d).

Letter dated this _____ day of _____.

Re: _____

(Identify Picture and Producers)

Attention: Directors Guild of Canada, _____ District Council ("**District Council**")

1. The undersigned entity, _____ specifies that it is an Approved Distributor/Guarantor ("Guarantor") which is up to date in its reporting obligations to the District Council and other payments to Guild Members. _____ is the "Producer" of _____, the "Picture".

[insert Picture title]

2. The undersigned Guarantor understands that the Producer has executed a Bargaining Authorization and Voluntary Recognition Agreement pursuant to the Standard Agreement and is required, pursuant to the terms and conditions of the Standard Agreement, to make payments with respect to the Picture which include but are not limited to, Director rights acquisition fees, insurance and retirement plan contributions and deductions and District Council Remittances.
3. The undersigned Guarantor guarantees the payment of all the Producer's monetary obligations with respect to the production of the Picture that are now due or may become due to any Guild Member, or the District Council pursuant to the Standard Agreement. This guarantee applies to the Picture only and shall be in lieu of the Producer's obligations pursuant to article 14.08 or 14.09 of the Standard Agreement and is a continuing guarantee binding upon the Guarantor and its successors and assigns, and inuring to the benefit of, and enforceable by, the District Council.
4. The undersigned Guarantor owns the following distribution rights of the Picture:
[If Guarantor does not own all distribution rights, please specify the distribution rights owned by territory, media and term.] (e.g. North American - Theatrical -10 years)]

5. In addition to the monetary obligations with respect to the production of the Picture discussed in Paragraph 3 above, the undersigned Guarantor guarantees the payment of any Director rights acquisition fees which may become payable with respect to the Distribution rights enumerated in Paragraph 4 above pursuant to the Standard Agreement. This guarantee applies to the Picture only and shall be in lieu of the Producer's obligations pursuant to article 14.08 or 14.09 of the Standard Agreement with respect to the distribution rights enumerated in Paragraph 4. This guarantee is binding upon the Guarantor and its successors and assigns, and inuring to the benefit of; and enforceable by District Council, subject only to satisfaction of the requirements of Paragraph 7 below.
6. The right of Guarantor to distribute, exhibit or exploit the Picture in the territory, media and term described in Paragraph 4 above shall be subject to and conditional upon the prompt payment of Director rights acquisition fees due in accordance with the Standard Agreement. It is expressly understood that so long as such payments are made, neither the District Council, nor any Guild member, shall interfere with the Guarantor's quiet enjoyment of its right to distribute, exhibit or exploit the Picture in the territory, media and term described its Paragraph 4 above. In consideration of the Guarantor executing this guarantee, the District Council shall execute any and all documents necessary to discharge and terminate any and all security interest or encumbrances of any kind in the picture that they hold or control jointly or severally which was previously granted to them by the Producer, and shall file such documents with the appropriate government agency within ten (10) days of executing this guarantee.
7. If the Guarantor transfers any interest in the distribution rights enumerated in Paragraph 4 to a third party and desires to be relieved of its obligations attached to those distribution rights, the Guarantor warrants that it shall require that third party, as a condition of such transfer, to satisfy the requirements of article 14.09 of the Standard Agreement with respect to those transferred distribution rights, or execute a Letter of Guarantee that is acceptable to the District Council, the Guarantor and such third party. The District Council will not unreasonably withhold acceptance of such Letter of Guarantee however, the third party must also satisfy the conditions in article 14.10 of the Standard Agreement. In either case, the Guarantor shall be relieved only of its obligations attached to those distribution rights which are transferred.
8. Guarantor agrees, with respect to Director rights acquisition fees only, that for purposes of verifying the propriety of payments made pursuant to the Standard Agreement, the District Council, subject to a confidentiality agreement mutually agreed upon by the Guarantor and the District Council, shall have access to and shall be entitled to examine and audit at annual intervals, at the normal place of business and during normal business hours, those books, records, receipts and any other documents reasonably necessary to confirm entitlement to, and to calculate the payment of Director rights acquisition fees.

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9. Nothing herein is intended, nor shall it be construed, to impose any greater monetary obligations on the Guarantor than would apply to a Producer under the Standard Agreement.
10. The Guarantor shall have thirty (30) days from the date notice is served to cure any default. Any demands against Guarantor for a default by the Producer shall be in writing, and must be addressed to the party to receive the notice at the following address or to such other address as a party hereto may hereafter specify pursuant to this paragraph and shall be transmitted by: (a) personal delivery; or (b) registered mail, postage prepaid, return receipt requested; or (c) telecopy with a copy by mail. When demand is made by personal delivery, notice will be deemed to have been duly given immediately upon such personal delivery. When demand is made pursuant to (b) or (c) above, it shall be deemed to have been served seven (7) days from the date of mailing.

Guarantor: _____

(Signature)

Address: _____

Attention: _____

Fax: _____

Signed By: _____

(Print name and title)

Directors Guild of Canada, _____ District Council By: _____

Its: _____

(Please type in name and title)