

COMPLETION GUARANTY

THIS AGREEMENT made effective as of the ____ day of _____, _____.

BETWEEN:

[NAME OF FINANCING COMPANY]
a corporation duly incorporated under the laws of _____
with a head office at _____ [address]
(the "Financier")

- and -

[NAME OF GUARANTOR]
a corporation duly incorporated under the laws of _____
with a head office at _____ [address]
(the "Guarantor")

WHEREAS:

- A. The Financier has agreed to advance the sum of \$_____ (the "Funds") to _____ [*insert name of production company*] (the "Producer") to pay for the production costs of a film project currently entitled "_____" (the "Film"), upon the terms and conditions of an agreement between the Financier and the Producer dated the ____ day of _____, _____ (the "Financing Agreement").
- B. As a condition to advancing the Funds, the Financier requires the Producer to procure a guarantee ("Guarantee") of completion of the production and delivery of the Film.
- C. The Guarantor has agreed to provide such Guarantee, subject to the payment by the Producer of the Guarantor's Fee, as hereinafter described.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the foregoing premises and of the Financier lending the Funds to the Producer, the parties hereby agree as follows:

1. Guarantee

Subject to the provisions of this Agreement, the Guarantor agrees to:

- (a) Guarantee the Completion and Delivery of the Film (as that term is defined in Schedule A attached hereto);
- (b) Procure or provide the Completion Funds, if any are needed, to Complete and Deliver the Film, if the Producer shall fail to do so;
- (c) Complete and Deliver the Film, if the Producer shall fail to do so; and
- (d) If Guarantor fails to Complete and Deliver the Film as aforesaid, make the payments specified in paragraph 7(a) hereof.

2. Definitions

The words and phrases defined herein shall have the meanings set forth in Schedule B attached hereto.

3. Guarantor's Fee

The Guarantor's obligations hereunder are conditional upon the payment by the Producer of the Guarantor's Fee, in full, as follows:

[set out the amount of the fee and how it is to be paid]

4. Production Controls

Pursuant to a Completion Agreement between the Guarantor and the Producer, the Guarantor shall have the right to Complete and Deliver the Film in accordance with this Completion Guaranty, or to procure the Completion and Delivery of the Film by any other person or company in accordance with the terms of the Completion Agreement.

5. Conditions of Guarantee

The Guarantor shall be under no obligation hereunder:

- (a) until the entire amount of the Strike Price has been made available to the Producer or to the Guarantor, as and when required by the Producer or the Guarantor, as provided in the Financing Agreement, whether or not an event of default has occurred thereunder. Notwithstanding anything to the contrary contained herein, the Financier shall not be obligated to supervise or administer to the application of the Strike Price to the Producer or the Guarantor, it being agreed that the Financier's obligation shall only be to advance such sums in accordance with the terms of the Financing Agreement and this Completion guaranty;
- (b) to obtain any seal, certificate or rating of the *[revise as appropriate for your circumstances: Motion Picture Association of America, Inc. ("MPAA")]*, except as required to Complete and Deliver the Film;
- (c) to deliver any materials other than the Delivery Materials prior to the Delivery Date or to deliver the Delivery Materials to any locations other than the locations designated in Schedule A attached hereto;
- (d) for the quality of the Film or the Delivery Materials, other than the technical quality thereof necessary to Complete and Deliver the Film;
- (e) with respect to any defect in the copyright of the Screenplay, the Underlying Literary Property, if any, or the Film, or in the rights acquired for the Film in the Screenplay or in the Underlying Literary Property, if any, or in the title of the Film, or in the music of the Film (except for the rights in such music that are acquired by the Guarantor in the event the Guarantor takes over the production of the Film and then acquires rights in and to music which is used in the Film);
- (f) with respect to any claim or liability arising out of any tort or any breach of contract committed by the Producer, except to the extent necessary to Complete and Deliver the Film;
- (g) with respect to any of the Excluded Risks (as defined in Schedule B); and
- (h) any Over-Budget Costs arising as a result of currency fluctuations.
 - (i)