

# DISTRIBUTION AGREEMENT

THIS DISTRIBUTION AGREEMENT made effective as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**BETWEEN:**

[NAME OF PRODUCTION COMPANY]

[address]  
("Producer")

- and -

[NAME OF DISTRIBUTOR]

[address]  
("Distributor")

WHEREAS Producer is in the business of developing, producing and acquiring feature-length theatrical motion pictures (hereinafter, the "Products");

WHEREAS Distributor is in the business of distributing feature length theatrical motion pictures and other productions in all media to the home video market; and

WHEREAS Producer and Distributor desire to enter into an exclusive arrangement under which Distributor will distribute and exploit Producer's Products, name and good will throughout the Territory (as defined below) in all forms of media and otherwise.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual premises contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

## 1. Rights Granted

Producer hereby grants, sells, sets over, and assigns to Distributor, throughout the Territory, the sole and exclusive right under copyright during the term hereof, to manufacture, distribute, advertise, publicize, promote, rent and sell all Products on video cassette (analog and/or digital) and all linear translations and forms (non-interactive) of video and optical disc (including but not limited to laser disc, CD-ROM and Digital Versatile Disc ("DVD")).

## 2. Term; Renewal

The term of this Agreement shall be \_\_\_\_ year(s), commencing on \_\_\_\_\_ [insert date]. This Agreement shall be automatically renewed for an additional \_\_\_\_ year term unless terminated in writing by either party at least ninety (90) days prior to the expiration of the current term.

## 3. Territory

The territory ("Territory") is \_\_\_\_\_ [list countries making up the distributor's territory]. The Territory shall also include \_\_\_\_\_ [country] armed forces installations anywhere in the world, airlines and ships serviced out of \_\_\_\_\_ [country], and other similar areas customarily included in such territories. Distributor specifically retains the right to distribute the Product in sub-titled and/or dubbed format(s). If Producer requests Distributor to distribute Product in a specified language (whether sub-titled or dubbed), and Distributor declines to do so, Producer is free to license those specific limited distribution rights as to that individual Product in the specified language and/or format to another distributor.

#### 4. Consideration

On a motion picture-by-motion picture basis, gross receipts from the sale and exploitation of Products shall be payable as follows:

- (a) A total of \$\_\_\_\_\_ per Product shall be paid by Distributor to Producer as an Advance Acquisition Payment, as complete and total payment for the acquisition of distribution and related rights for each Product:
  - (i) Fifty percent (50%) of the total Advance Acquisition Payment shall be paid by Distributor to Producer upon the complete delivery of materials for each Product;
  - (ii) Twenty-five percent (25%) of the total Advance Acquisition Payment shall be paid by Distributor to Producer \_\_\_\_\_ days after the complete delivery of materials for each Product;
  - (iii) The remaining twenty-five percent (25%) of the total Advance Acquisition Payment shall be paid by Distributor to Producer \_\_\_\_\_ days after the complete delivery of materials for each Product.
- (b) Distributor shall recoup from gross receipts all customary manufacturing, distribution, marketing, advertising and promotional costs and expenses directly paid or incurred, including but not limited to printing, packaging, duplication, shipping and delivery costs, residuals and marketing costs and expenses. The maximum allowable fixed marketing expense per Product shall be \$\_\_\_\_\_.
- (c) All remaining gross receipts after the payments noted above shall be paid to Distributor.

#### 5. Design, Duplication, Packaging

Distributor shall perform all customary design, marketing, printing, packaging, duplication, shipping and delivery services in the regular course of business and shall recoup the same as set forth in Section 4. Producer shall supply Distributor, upon reasonable request (if available), and at no cost or expense to Distributor, design materials, artwork, films, slides, and the like for the purposes of box / sleeve design and advertising.