

# PRODUCTION SERVICES AGREEMENT

THIS AGREEMENT made effective as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, (hereinafter referred to as "the Agreement"),

**BETWEEN:**

[NAME OF FINANCIER]  
a \_\_\_\_\_ corporation with a head office address of \_\_\_\_\_ [insert address]  
(hereinafter "Financier")

- and -

[NAME OF PRODUCTION SERVICES COMPANY]  
a \_\_\_\_\_ corporation with a head office address of \_\_\_\_\_ [insert address]  
(hereinafter "Service Company")

WHEREAS, Financier owns the rights to produce and exploit a theatrical motion picture (hereinafter "the Picture") presently entitled " \_\_\_\_\_ " [insert title] (hereinafter "the Screenplay");

AND WHEREAS, Financier has requested Service Company to render its services to supervise the production of the Screenplay and Service Company desires to render such services;

AND WHEREAS, to that end, Service Company has arranged for the services of \_\_\_\_\_ [insert name of director] to direct the Picture, and \_\_\_\_\_ [insert name of producer(s)] to produce the Picture, all in accordance with a budget and production schedule mutually approved by Financier and Service Company;

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the covenants and promises 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 hereto agree as follows:

## 1. Production of the Picture

1.1 Subject to the terms and conditions hereinafter set forth, Financier agrees to furnish to Service Company, on a mutually approved cash flow schedule (hereinafter "the Cash Flow Schedule"), the amount of financing which Service Company determines will be required to finance the production of the Picture, and Service Company shall use all sums advanced hereunder for the sole purpose of furnishing the production services for the Picture in accordance with the approved Screenplay, budget, and production schedule, subject only to deviations therefrom caused by the exigencies of production, as approved in writing by Financier. All of Financier's obligations shall be subject to Financier first obtaining a completion bond from a reputable company. All sums advanced hereunder shall be deposited in a production account to be designated, approved, and controlled by Financier, and all such funds shall be and remain the sole and exclusive property of Financier until the same have been expended in the production of the Picture.

1.2 Service Company's services hereunder shall be complete when Service Company delivers to Financier all physical elements of the Picture as reasonably required by Financier to cause the Picture to be distributed throughout the world. As used herein, the term "elements" shall include, without limitation, all literary material written for the Picture, if any, acquired by Service Company, all stills, artwork and designs used in connection with the Picture, all film clips, recordings, trailers, soundtracks, and all other tangible and intangible property relating to the Picture and all rights in and to the foregoing, exercisable throughout the universe, in perpetuity, and all subsidiary, ancillary and related rights, performing rights, publishing rights, merchandising and commercial tie-up rights, and the right to use the names, likenesses, and voices of all persons rendering services in connection with the Picture. Service Company shall include in its contracts with third parties engaged to render services on the Picture a provision that the results and proceeds of all the services rendered by such third parties in connection with the Picture shall upon completion automatically become the sole property of Service Company.

1.3 Financier shall have the right of approval in relation to all expenditures and all business, creative, and other matters in connection with the Picture, including without limitation: locations, director, cast and production crew, music, sound stages, film laboratories, post production facilities, and all other production matters, subject only to third party approvals and controls which are consented to by Financier and are contained in said third party's written contract.

1.4 Service Company shall perform all of its obligations hereunder to the best of its ability and in a workmanlike manner. Upon the first to occur of:

- (a) delivery of the Picture hereunder;
- (b) Financier's exercise of takeover rights as hereinafter set forth; or
- (c) at Financier's request, following completion of the Picture,

Service Company shall irrevocably and without further action assign and transfer to Financier all of Service Company's rights in and to all past, present, and future elements of the Picture and all rights and benefits actually acquired by Service Company pursuant to any agreements with third parties. Service Company's rights under any agreement in connection with the Picture shall be freely assignable and upon Financier's request, Service Company agrees to execute, acknowledge, and deliver such assignments and other documents and instruments as may be necessary or appropriate to perfect the assignment and transfer of the foregoing and to evidence Financier's acquisition of rights hereunder. The Picture shall contain such production or presentation or release credit to Financier, as Financier shall determine. Additionally, the end titles shall contain a copyright notice in the following form, or such other form of notice as Financier shall designate:

"Copyright \_\_\_\_\_ [*year of copyright*], \_\_\_\_\_ [*name of Copyright holder*]. All rights reserved"

1.5 Upon Financier's acquisition of all right, title, and interest in and to the Picture, Financier shall assume, or cause the distributor of the Picture to contractually adhere to, Service Company's obligations under all contracts undertaken by Service Company in the normal course of business to produce the Picture.

1.6 If Service Company shall fail to execute any instrument or document which Financier may reasonably require to implement any term hereof or to perfect its rights hereunder, Financier shall have the right to execute such document or instrument on Service Company's behalf, such right being an irrevocable power coupled with an interest.

## 2. Production Contracts

All contracts for personnel, studio hire, purchase of goods and services, laboratory work and all other licenses, contracts and obligations in connection with the production of the Picture by Service Company, shall be made and entered into by Service Company in its own name as principal and not as agent for Financier and no obligations whatsoever shall be imposed upon Financier thereunder. All such contracts or undertakings shall be consistent with the provisions of the Agreement and industry custom and practice. Such contracts and undertakings shall not be terminated, cancelled, modified, or rescinded in any manner which would or might prejudice the rights of Financier hereunder. All such contracts shall be assignable to Financier without restriction. Service Company shall have all responsibilities of an employer with respect to those personnel locally engaged by Service Company in \_\_\_\_\_ [*name of country*], including those arising out of any present or future legal requirements relating to worker's compensation, insurance, social security, tax withholding, pension, health and welfare plans under any legal requirements or any applicable collective bargaining agreement, provided that upon delivery of the Picture and completion of all obligations required hereunder of Service Company, Financier shall assume, or cause the distributor of the Picture to assume such obligations and hold Service Company harmless therefrom. Service Company shall use due care in the selection and purchase of any items to be

used in connection with the production of the Picture and shall assign to Financier on demand all rights which Service Company shall obtain, by warranty and otherwise, from the supplier of such items.

**3. Insurance**

Service Company shall obtain and maintain, throughout the duration of the production, appropriate insurance coverage consistent with the requirements of Financier to cover all customary risks in connection with the performance of its obligations hereunder only with respect to those persons engaged in \_\_\_\_\_ [*name of country*], including without limitation, public liability, cast, and Worker's Compensation, which insurance shall specifically name Financier as an additional insured, and as a condition to any payments hereunder, Service Company shall furnish Financier with certificates of insurance certifying the amount and type of insurance and with copies of all policies for such insurance.

**THIS IS A 7-PAGE DOCUMENT.**