PRODUCER AGREEMENT  
[Short Form]

This agreement may be adapted as an agreement between a production company and producer or between a production company and a loan-out company ("lender") which furnishes the services of the producer. If the latter format is used, the contract should reflect that the parties are the production company and the lender.

1. EMPLOYMENT ENGAGEMENT: [Lender agrees to provide the services of Producer] [Producer agrees to provide Producer's services] for the development and production of a Picture based upon the Property.

2. THE PROPERTY: The Property consists of (specify, e.g., the book entitled ``(name of book)'' written by (name of author), published in (year of publication) by (name of publishing company)). Production Company has acquired the motion picture, ancillary and allied rights to the Property from (name of author or owner).

3. SCREENPLAY: Production Company is employing (name of writer) ("Writer") to write a screenplay based on the Property. [Writer's deal is covered in a separate memorandum.]

4. CONTINGENCIES: (specify, e.g., This deal and all Production Company's obligations hereunder are subject in all respects to clearance of chain of title on the Property and finalizing the agreement with the Writer.)

5. DEVELOPMENT AND PRE-PRODUCTION:

(a) Supervisory Services: Producer shall supervise the development of, and the revisions to, the screenplay, and all pre-production activities required by Production Company, including the selection of proposed available casting and preparation of a proposed negative cost budget based on the screenplay determined by Production Company and Producer to be the final screenplay. Such services shall be on a non-exclusive basis but the rendering of other services by the Producer shall not interfere with Producer's obligations to Production Company hereunder.

(b) Development Fee: [Lender] [Producer] shall be entitled to receive a development fee of (e.g., $15,000) for [furnishing] Producer's supervisory services (which shall be applied against the Producer's Fixed Fee) payable as follows:

(i) (e.g., $2,500) upon written acknowledgment of this deal memo by [Lender] [Producer];

(ii) (e.g., $2,500) upon commencement of Writer's services and Producer's supervisory services;

(iii) (e.g., $5,000) upon delivery of the first draft screenplay;

(iv) (e.g., $5,000) upon delivery of all screenplay material required by Production Company.

[Notwithstanding the above, if following delivery of Writer's revisions to the first draft screenplay, Production Company elects to have Writer write additional revisions or if Production Company]
elects to engage another writer to write additional screenplay material, then Producer shall be entitled to receive an additional (e.g., $10,000) for supervisory services (also applicable against the Producer’s Fixed Fee) payable (e.g., $5,000) upon commencement of such additional writing services and the remaining (e.g., $5,000) to be added to the payment set forth in subdivision (iv) above.

(c) Charges: No party may incur any charges during the development and pre-production phase for reimbursement by Production Company without the specific prior [written] approval of Production Company.

6. ELECTION TO PROCEED ABANDONMENT: Production Company shall advise Producer whether it elects to proceed to production of the Picture or to abandon the project within the period of (e.g., 30) days after delivery to Production Company of the screenplay determined by Production Company and Producer to be the final screenplay, and delivery to Production Company of the proposed negative cost budget approved by Producer.

7. START DATE: If Production Company elects to proceed to production, it shall determine a start date for principal photography to occur within (e.g., 90 days) after the date Production Company gives written notice of its election to proceed, subject to extension by reason of weather conditions, location availability, scheduling problems, force majeure, and/or cast and director availability. [after consultation with producer; provided, however, production company shall have the right to make the final determination of the start date].

8. TURNAROUND: If Production Company elects to abandon the development and/or production of the Picture, [Lender] [Producer] shall have the exclusive right during the period of (e.g., 18) months following written notice of such election to acquire Production Company’s interest in the Picture by reimbursing Production Company for (specify, e.g., all expenses and charges incurred by Production Company in connection with the Picture including all advances plus (e.g., 12%) overhead thereon, plus interest thereon computed weekly from the week in which the expenses and charges were incurred at a percentage per annum of (e.g., 1/2%) above the prime interest rate of the (name of Bank) from time to time in effect, plus a surcharge of (e.g., 20%) on such percentage to cover compensating balances (“Interest”), but in no event shall Interest be in excess of (e.g., 10%) per annum, unless permitted by law). [Lender] [Producer] shall pay Production Company such amount if at any time during the turnaround period [Lender] [Producer] enters into an agreement for the development or production of the project, or if [Lender] [Producer] or any party with whom [Lender] [Producer] is negotiating shall do or authorize any writing to be done in connection with the project, or shall commence or authorize the commencement of photography of the Picture. [Producer’s] turnaround shall be subject to Production Company’s standard “Changed Elements and Terms” provision.

9. COMPENSATION: If Production Company elects to proceed to production of the Picture:

(a) Services: [Lender] [Producer] shall furnish the services of Producer on a non-exclusive but on a first-priority basis until (e.g., 8) weeks prior to the commencement of principal photography; then on an exclusive basis until completion of principal photography. Thereafter, Producer’s services shall be [exclusive] [non-exclusive but on a first-priority basis] until delivery of the final corrected print of the Picture.

(b) Fees: Provided [Lender and] Producer [are] [is] not in default and [Producer] has performed all required services hereunder, [Lender] [Producer] shall be entitled to receive the following for furnishing Producer’s services hereunder:
(i) Fixed Fee: (e.g., $150,000) [less all sums previously paid as the Development Fee] payable (e.g., 75%) in equal weekly installments over the exclusive pre-production period and the scheduled period of principal photography; (e.g., 12 1/2%) upon completion of scoring; and (e.g., 12 1/2%) upon delivery of the final corrected answer print of the Picture and completion of delivery of all items required by Production Company for the complete delivery of the Picture.

(ii) Deferral: (e.g., $25,000) deferred and payable pro rata with all similar deferrals at the point just preceding the point at which participations in the Net Profits of the Picture are payable.

(iii) Participation: (e.g., 40%) of 100% of the Net Profits of the Picture, reducible by the amount of all third party participations (whether gross or net) to a floor of (e.g., 17 1/2%) of 100% of Net Profits. [For purposes hereof, a gross receipts participation granted to a third party shall be converted to a participation in Net Profits by dividing such gross receipts participation by the Production Company's standard conversion factor of .55.]

Net Profits shall be defined and computed in accordance with Production Company's standard definition, a synopsis of which is [attached hereto as Exhibit "A" to be negotiated in good faith].

10. TRANSPORTATION AND EXPENSES: If Producer is required by Production Company to perform services at a location more distant than a radius of (e.g., 50) miles from [specify place], Production Company shall furnish Producer with [. or shall reimburse Lender for,] (e.g., one) first-class (if available and if used), round-trip transportation(s) to and from such location(s) and Production Company shall pay [Lender] [Producer] (e.g., $1,500) per week for Producer's living expenses, prorated at 1/7 daily. [Production Company will discuss an upward adjustment to such living expenses at the appropriate time if Producer can demonstrate to Production Company that such expenses are inadequate for the applicable location.]

11. CREDITS: Provided [Lender and] Producer [are/is] not in [material] default and [Producer] has performed all [material] services required hereunder, Producer will be accorded the following credit on screen and in paid advertising (subject to Production Company's standard exceptions and exclusions):

(a) "A (name) Production" [(before) or (after)] the title, in a size of type which is not less than (e.g., 50%) of the size of type used for the title on screen and (e.g., 35%) of the size of type used for the title in paid advertising. [Said credit shall appear on a separate card on screen.]

(b) "Produced by (name)" [(before) or (after)] the title, in a size which is not less than (e.g., 50%) of the size of type used for the title on screen and (e.g., 35%) of the size of type used for the title in paid advertising. [Said credit shall appear on a separate card on screen.]

(c) If both an artwork title and a regular title are used, the above references to "title" shall refer to the regular use of the title. If only an artwork title is used, the percentage requirements shall not be less than (e.g., 15%) of the average size of the letters used in the artwork title.

14. CUTTING RIGHTS: [Production Company has complete right to cut the Picture, subject to the cutting rights of the Director.]

15. CONSULTATION RIGHTS: [Lender] [Producer] shall have the right of consultation with Production Company with respect to the initial U.S. advertising campaign and the initial U.S.
distribution pattern of the Picture, with Production Company having final approval thereof. If [Producer] [the designated representative of [Lender] [Producer]] is unavailable to exercise such rights at such reasonable times and places as required by Production Company hereunder, then such consultation rights with respect to the particular matter at hand shall be deemed waived by [Lender] [Producer]. [Producer shall not be deemed unavailable if Producer is available for consultation by telephone.]

16. PUBLICITY REPRESENTATIVE: [Lender] [Producer] shall have the right to designate an individual to render services as [Lender’s] [Producer’s] publicity representative for the Picture and Producer’s services in connection therewith at [Lender’s] [Producer’s] sole expense. The representative shall have the right of consultation with (e.g., Production Company’s Publicity Department) as to the publicity for the Picture and Producer’s services in connection therewith, with Production Company having final approval thereof. If the designated representative is unavailable at such reasonable times and places required by Production Company hereunder, then such consultation rights with respect to the particular matter at hand shall be deemed waived by [Lender] [Producer].

17. OFFICE AND SECRETARY: If Production Company elects to proceed to production of the Picture, Production Company will furnish Producer with one office (e.g., on the lot) and with one secretary commencing with the start of Producer’s exclusive services and continuing until completion of Producer’s required services thereunder. [In lieu of furnishing an office and a secretary (on the Production Company’s lot) in (specify place), at [Lender’s] [Producer’s] request, Production Company shall reimburse [Lender] [Producer] for office and secretarial expenses incurred in (specify place) by [Lender] [Producer] in connection with this project commencing with the start of Producer’s exclusive services and continuing until completion of Producer’s required services.] [The cost of such office and secretarial expenses must be previously approved in writing by Production Company.]

18. OWNERSHIP: All rights in the Picture, the component parts thereof, and the copyright thereof, shall be owned by Production Company for use throughout the world in any and all media [except with respect to (e.g., music rights)].

19. STUDIO SEQUELS AND REMAKES:

(a) Theatrical Sequels and Remakes: If within (e.g., 7) years after the date of the initial release of the Picture, Production Company [or any assignee or licensee of Production Company] elects to [develop or] produce a studio theatrical sequel or remake based upon the Picture, [and Producer shall have received a “Produced by” credit on any theatrical motion picture within the preceding two (2) years,] [Lender] [Producer] shall have a (e.g., 30-day) right of first negotiation to furnish Producer’s services as Individual Producer of such theatrical sequel or remake on terms no less favorable to [Lender] [Producer] than contained herein with respect to the Picture. [[Lender’s] [Producer’s] first negotiation right shall continue only so long as Producer continues to serve as Individual Producer of each successive sequel or remake. If Producer does not furnish services on any such sequel or remake, then Production Company shall have no further obligation to Producer with respect to such theatrical sequel or remake except that Producer shall be entitled to receive (e.g., 5%) of 100% of the Net Profits derived from such theatrical sequel or remake.]

(b) Television Sequels and Remakes: If, within (e.g., 7) years after the initial release of the Picture, Production Company elects to produce a television sequel or remake based upon the Picture, [and Producer shall have received a “Produced By” or “Executive Producer” credit on any television motion picture within the preceding two (2) years, then,] [subject to network
approval] [Lender] [Producer] shall have a (e.g., 10-day) right of first negotiation to furnish Producer's services as either Individual Producer or Executive Producer of such television sequel or remake. [Lender's] [Producer's] first negotiation right shall continue only so long as Producer continues to serve as Individual Producer or Executive Producer of each successive television sequel or remake. [If Producer does not furnish services on any such sequel or remake, then Production Company shall have no further obligation to Producer with respect to such television sequel or remake except that Producer shall be entitled to receive (e.g., 5%) of 100% of the Net Profits derived from such television sequel or remake.]

20. EMPLOYMENT ELIGIBILITY: All of Production Company's obligations herein are expressly conditioned upon Producer's completion, to Production Company's satisfaction, of the I-9 form (Employee Eligibility Verification Form), and upon [Lender's] [Producer's] submission to Production Company of original documents satisfactory to demonstrate to Production Company Producer's employment eligibility.

21. NOTICES: Notices hereunder shall be in writing. Any notices hereunder shall be given by personal delivery or by mailing (in a postpaid, certified or registered wrapper) or telegraphing the same to the appropriate party at the address listed below, or by transmitting the same by facsimile (with a confirmation copy sent by regular U.S. mail) and the date of such personal delivery, mailing, telegraphing or facsimile transmission shall be the date of giving of such notice. The names and addresses below concerning notices to all parties hereto shall also be deemed to be the place where payments required under this agreement shall be sent:

To Production Company: (name and address)

with a courtesy copy to: (name and address of attorney)

To Lender and Producer: (name and address)

with a courtesy copy to: (name and address of attorney)

22. LONG-FORM EXECUTED. The balance of the terms shall be the customary terms and conditions of agreements in the motion picture industry for the engagement of a Producer [subject only to those changes therein as may be mutually agreed on in writing after good faith negotiation].

Wherefore this Memorandum of Agreement is executed at (name of city and state) as of the date first written above.

(name of production company)
By __________________________
Its __________________________
("Production Company")

("Producer")

(name of loan-out company)
By __________________________
Its __________________________
("Lender")
OR

[Add Inducement Provision if Loanout Company is used].

INDUCEMENT

I, (name of individual producer), agree to perform all obligations to be performed by Lender and me hereunder, and make all representations and warranties herein made by Lender, in order to effectuate the terms and conditions of the foregoing Agreement, and I agree to look solely to Lender for payment of any compensation due me. I hereby accept and acknowledge each and all provisions of the foregoing agreement and agree to be bound by them to the same extent as if I had signed the agreement directly.

(Producer)