

# AGREEMENT WITH FINANCIERS

**Article of Agreement** made at Bombay this \_\_\_\_\_ day of \_\_\_\_\_ **Between Messrs.** \_\_\_\_\_ a firm carrying on business as feature film producers at \_\_\_\_\_ hereinafter referred to as the **"Producers"** (which expression shall unless repugnant to the context or meaning thereof include the partners or partner for the time being constituting the said firm of \_\_\_\_\_ the survivors or survivor of them, the heirs, executors and administrators and their his or her assigns) of the **One Part** and \_\_\_\_\_ a firm carrying on business at hereinafter referred to as the **"World Right Controllers"** (which expression shall unless repugnant to the context or meaning thereof include the partners or partner for the time being constituting the said firm of \_\_\_\_\_ the survivors or survivor of them the heirs, executors and administrators and their his or her assigns) of the Other Part.

WHEREAS

- (A) The **"Producers"** have arranged to produce a talkie motion picture, tentatively entitled " in Eastman Color in Hindi version featuring music by and directed by \_\_\_\_\_
- (B) The **"Producers"** have represented to the **"World Right Controllers"** that they have entered into valid and binding contracts with the said artistes, music director, acquired copy-rights in the said story and screen-play and dialogues, have made arrangements for the shooting of the said picture.
- (C) The **"Producers"** have further represented to the **"World Right Controllers"** that till now they have not sold or disposed of any of the rights of the said picture or made any arrangement for distribution, exhibition and exploitation thereof in any part of the world and that they have not created any mortgage, charges or encumbrances of their right to any other persons on the said picture or on any of the rights therein.
- (D) The **"Producers"** requested the **"World Right Controllers"** to act as **"World Right Controllers"** of the said picture and to help them in obtaining the maximum coverage for the said picture and to lend and advance a sum of \_\_\_\_\_ for the purpose of production of the said picture and represented to the **"World Right Controllers"** that the said amounts together with the under production amounts that may be received from the different distributors, they will be able to complete the said picture and make it ready for release up to R.R. Prints stage.
- (E) Relying on the aforesaid representations made by the **"Producers"** the **"World Right Controllers"** have agreed to act as **"World Right Controllers"** of the said picture and lend and advance to the **"Producers"** the said sum of ₹ \_\_\_\_\_ on the terms and conditions hereinafter appearing:-

NOW IT IS HEREBY AGREED by and between the parties hereto as follows.

1. The **"Producers"** hereby grant to the said **"World Right Controllers"** the sole and exclusive distribution, exhibition and exploitation rights of the said picture being their Production No. 1 in color starring music by and directed by \_\_\_\_\_ in 35 mm and in all other sizes to be exhibited and disposed of by and through the **"World Right Controllers"** for and in all the territories of the world for a period of 15 years from the date of this agreement. The **"World Right Controllers"** have assumed absolute control of all the right of the said picture for the entire world.
2. In pursuance of the said agreement and other terms and conditions hereof, the **"World Right Controllers"** hereby agree to lend and advance to the **"Producers"** a sum of ₹ \_\_\_\_\_ in the following manner by suitable instalments in accordance with and depending upon the progress of the picture and the amount of such installments and the time for payments thereof shall be determined by the **"World Right Controllers"** and their decision in that behalf shall be final and binding upon the **"Producers"**.

It is hereby agreed that the **"World Right Controllers"** shall not be bound to advance any amount of instalments of the said of ₹ \_\_\_\_\_ as mentioned

above until the instalments already paid by the **“World Right Controllers”** to the **“Producers”** have been actually spent by the **“Producers”** on production of the said picture; provided further that the **“World Right Controllers”** at their discretion may pay the aforesaid amounts to the **“Producers”** for being disbursed and spent according to the budget of expenditure or the **“World Right Controllers”** themselves and/or through their representative pay such amounts directly to the artistes or other parties concerned to whom payments are to be made in connection with the shooting programme.

3. As a security for repayment of the said sum of ₹ \_\_\_\_\_ agreed to be advanced by the **“World Right Controllers”** and for payment of all commission, interest, costs, charges and expenses and all other moneys, due or payable to the **“World Right Controllers”** under these presents it is hereby agreed and declared by the **“Producers”** that :-
  - (a) The Said picture while under production as well as negatives/Rushes, dupe negative/Vfx/CG, positive prints/DPX/DCP, positive films/DPX/DCP/Video, raw films/Rushes, in connection therewith sound and all the world negative rights/Rushes, copy-rights, performing-rights, distribution, exhibition and exploitation rights, and all other rights into or upon or in relation to the said picture including the copy-rights in the story, scenarios, dialogue and songs of the said picture and all publicity materials and literature in connection therewith including the titles, trailers, booklets, posters, blocks as well as all other properties owned and/or to be hereinafter owned and/or in possession of the **“Producers”** in connection with production shooting and completion of the said picture and all other materials incidental to and necessary for the production, distribution, exhibition and exploitation and booking of the said picture prepared, produced and manufactured are hereby charged in favor of the **“World Right Controllers”** free from all encumbrances whatsoever and before possession is given charged and hypothecated and after possession is given pledged with the **“World Right Controllers”** and the **“Producers”** shall if permitted by the **“World Right Controllers”** handle the same as express trustees for and/or on behalf of the **“World Right Controllers”**.
  - (b) All exposed sound and picture negatives/All Digital Outputs Audio as also rush prints and positive prints of the said picture already prepared and now lying with the said shall in the name of the **“World Right Controllers”** and also all exposed sound and picture negatives as well as rush prints and positive prints which may be hereafter prepared from time to time shall immediately on completion of shooting or recording of each shift be handed over to the **“World Right Controllers”** and/or shall be kept by the **“Producers”** with the said laboratory in the name of the **“World Right Controllers”** or their nominees and pending delivery thereof to such laboratory the **“Producers”** shall handle and hold the same for and on behalf of the **“World Right Controllers”** as their express trustees and the **“Producers”** shall not in any way deal with or dispose of the same in any manner whatsoever.
  - (c) All moneys which may be receivable under all contracts for sale and/or for disposal of distribution, exhibition and exploitation rights of the said picture in all sizes either on signing or executing of such contracts and/or during production of the said picture and/or against delivery of publicity materials and prints of the said picture and by way of overflow income of the said picture for all the territories of the world shall be payable to and receivable by the **“World Right Controllers”** directly but if the same with the consent of the **“World Right Controllers”** actually received by or paid to the **“Producers”**, the **“Producers”** shall on such receipt hand over and pay the same to the **“World Right Controllers”** and until such payment shall hold the same for and or behalf of any of as express trustees for the **“World Right Controllers”**.
4. The **“Producers”** hereby covenant with the **“World Right Controllers”** not to sell, transfer, mortgage, charge or creates any security or otherwise deal with or dispose of the picture negatives, sound negatives, rush prints and positive prints and the territorial or other rights of the said picture or any part thereof or any income from the said picture to any party without the consent in writing of the **“World Right Controllers”**.
5. It is agreed that the **“World Right Controllers”** shall be entitled to sell or give on minimum guarantee and/or on advance basis and/or otherwise the distribution, exhibition and exploitation rights of the said picture for all the territories of the world in connected with the **“Producers”**. It is further agreed that the **“Producers”** will not enter into any agreement in

respect of the distribution, exhibition and exploitation rights of the said picture for any of the territories of the world without the prior written consent of the **“World Right Controllers”**.

6. It is agreed that such agreements, in respect of the distribution, exhibition and exploitation rights of the said picture and/or in respect of the territorial rights of the said picture shall contain a clause that all amounts to be paid by various territorial distributors to the **“Producers”** by way of amounts payable by them as the **“Producers”** share in the overflow of the picture will be paid to the **“World Right Controllers”** direct and that the **“World Right Controllers”** alone will be entitled to receive all such moneys payable to the **“Producers”** from various territorial distributors. The **“World Right Controllers”** shall be entitled to execute the distribution agreements for and on behalf of the **“Producers”** in connected with the **“Producers”** and such agreements will be binding on the **“Producers”** as if the same were executed by the **“Producers”**. It is agreed that such agreements in respect of the distribution, exhibition and exploitation rights of the said picture to be hereafter entered as aforesaid shall be made in such a manner to be hereafter entered as aforesaid shall be made in such a manner so that the under-production amounts to be paid by the distributor shall not exceed 50% of the total amount payable under such agreements up to delivery of prints and inclusive of amounts payable on or against delivery of prints. It is agreed that all such moneys that may be received under all such arrangements or agreements for all the territories of the world either on signing as under-production amounts of the said picture shall be paid by the **“World Right Controllers”** to the **“Producers”** by instalments for the purpose of further production of the said picture in accordance with an depending upon the progress of the picture and the amount of such instalments shall be determined by the **“World Right Controllers”** and the opinion of the **“World Right Controllers”** in the behalf shall be final and binding upon the contained herein shall create or be deemed to create any rights in the said under-production amount in favor of the **“Producers”**.
7. It is agreed that the said laboratory, the shall hold the picture negatives sound negatives rush and positive prints of the said picture for and on behalf of and subject to the instructions of the **“World Right Controllers”** only. It is further agreed that the **“Producers”** shall not be entitled to deal with or dispose of the same and/or to issue any such instruction for taking out prints etc. and for deliveries thereof to the respective distributors.
8. The **“Producers”** hereby agree that the said film negatives and sound negatives and rush prints will be entirely completed and censored and that the **“Producers”** will prepare one censor print and publicity materials of the said film on or before so as to enable the **“World Right Controllers”** to deliver the same to the territorial distributors in time.
9. The **“Producers”** hereby agree to repay/to the **“World Right Controllers”** the said sum ₹\_\_\_\_\_ and also all interest and commission and all other moneys due to the **“World Right Controllers”** on or before hereinafter called “the due date”.
10. In consideration aforesaid and of various other terms and conditions hereof it is hereby agreed that the **“World Right Controllers”** shall be entitled to be paid and paid by the **“Producers”** the following amount viz:-
  - (a) a commission at the rate of per cent on the total amount of coverage of the picture in 35mm size and all other sizes for all the territories of the world. The term ‘coverage’ shall mean and include all amounts payable by the distributors of the said picture for all the territories of the world under all agreements in respect of distribution, exhibition and exploitation rights of the said picture by way of minimum guarantee amount, advance, sale or otherwise whatsoever and including all amounts payable on signing of such agreements or arrangements as well as all amounts payable as under-production amounts and including all amounts payable on and against delivery of prints of the said picture for all territories of the world.
  - (b) 50% (Fifty percent) of all moneys and recoveries that may become payable by or from all the distributors of the said picture for all the territories of the World on account of the **“Producers”** share in the overflow of the said picture. The term ‘Overflow’ in this agreement shall mean all amounts payable by the distributors from time to time after delivery of prints to such distributors and after such distributors have appropriated their respective minimum guarantee amount, advances publicity contributions and their respective commission and cost of extra prints, if any, and shall also include all amounts payable by distributors as and by way of sale price or lease money or any other amount

by converting the minimum guarantee advance and other distribution agreements for sale or lease agreements or otherwise.

11. The **"Producers"** hereby agree that the **"Producers"** will not directly or indirectly recover any amount payable by various distributors under the terms of their distribution agreements either by way of under production instalments of the amounts payable against delivery or by way of overflow or by way of sale proceeds of any rights of the said picture or by way of gramophone royalty and the **"Producers"** will make the necessary arrangements with distributors whereby all such amounts will be payable by them direct to the **"World Right Controllers"**.
12. If the said picture is not completed and the negatives and such prints not delivered to the **"World Right Controllers"** on or before the **"World Right Controllers"** without being bound to do so be entitled to complete the same and get the same censored themselves or through their agent or agents at the risk and the cost of the **"Producers"** and the amount spent by the **"World Right Controllers"** in such completion shall be considered as further advance to the **"Producers"** against the security of under production amounts and shall be recovered by or repaid to the **"World Right Controllers"** out of all moneys to be received as under production amounts from all the territories of the world. Such further amounts will carry interest at the rate of 15 per cent per annum.
13. The **"Producers"** hereby agree to furnish to the **"World Right Controllers"** every month a report of the worked showing the progress of the film and detailed statement showing the amounts spent during such month on the production of the said picture before asking for the next instalments.
14. The **"Producers"** hereby agree to carry out all territorial distribution agreements through the **"World Right Controllers"**.
15. The **"Producers"** will handle the picture negatives, sound negatives and rush prints of the said picture as express trustees of the **"World Right Controllers"** and will handle the negatives for the purpose of editing only but they shall not in any manner remove any portion of the said negatives or rush prints or tamper with the same which in any way may prejudice the security of the **"World Right Controllers"** and will not sue the said negatives for taking out positive prints except with the consent in writing of the **"World Right Controllers"** and in the event of the **"Producers"** committing any breach of these terms the **"World Right Controllers"** shall have the right to stop the **"Producers"** from handling the said negatives, rush prints and the instruction of the **"World Right Controllers"** to the said Laboratory in respect of the said negatives and rush prints will be final and binding both on the laboratory as well as on the **"Producers"** who will raise no objection to any such instructions.
16. The **"Producers"** hereby agree not to alter, modify, or any way change the terms or conditions or any arrangement or agreement in respect of distribution, exhibition and exploitation rights of the said picture without the express written consent of the **"World Right Controllers"**. The **"World Right Controllers"** shall however be entitled to make changes or modifications in such agreements or arrangements as the **"World Right Controllers"** deem proper.
17. The **"Producers"** hereby covenant that the **"World Right Controllers"** shall be entitled to inspection of Books of Account of the **"Producers"** and correspondence and all other papers and documents relating to the said picture and the **"Producers"** shall also allow a representative that may be appointed by the **"World Right Controllers"** to watch the shooting and progress of the said film and the recording of the songs.
18. The **"Producers"** hereby undertake to complete production of the said film, have the said film censored and make ready the R.R. print with back-ground music incorporated therein and ready to take out positive prints and publicity materials and to carry out the publicity campaign out of the amounts that may be advanced by the **"World Right Controllers"** under the terms of this agreement and out of under-production amounts that may be received from such distributors.
19. In all the advertisement either before release or after release of the said picture as well as in the titles of the said picture the name of the **"World Right Controllers"** shall be prominently distere as the **"World Right Controllers"** of the said picture.

20. The **“World Right Controllers”** shall be entitled but not bound to advance such further amounts as may be thought fit by the **“World Right Controllers”** to the **“Producers”** for the purpose of completing the said picture and in the event of the **“World Right Controllers”** advancing such amounts from time to time as aforesaid such further loans shall be treated as further advances under this agreement and this agreement shall be read as if such further amounts were mentioned in this agreement along with the said sum of ₹ \_\_\_\_\_ and the security created for repayment of the said sum of ₹ \_\_\_\_\_ shall also be available as security for repayment of such further amounts. Such further amounts will carry all powers and provisions mentioned in this agreement shall also apply to the sums as if the same were specifically mentioned.
21. It is further agreed that all costs, charges and expenses that may be incurred in connection with any dispute or disputes with the distributors of the said picture and also in connection with any legal proceedings by or against the distributors of the said picture and also in connection with any matter pertaining to the said picture shall be borne by the **“Producers”** and the **“World Right Controllers”** shall not be liable for the same and if the same are incurred by the **“World Right Controllers”** the same shall forthwith be paid by the **“Producers”** to the **“World Right Controllers”** and all the powers provisions and security relating to the payment of the said sum of ₹ \_\_\_\_\_ shall also apply to the same.
22. No agreement or contract in connection with the said picture to which the **“World Right Controllers”** are not a party or to which they have not given their consent in writing shall be valid or binding on the **“World Right Controllers”**.
23. In the event of the distributing agents or any one of them failing to take delivery of the said film the **“World Right Controllers”** shall be entitled to terminate their agreements or agreement and/or sell off the said picture for and on account and at the risk of such defaulting distributing agents in terms of the preceding clause or to enter into fresh distribution agreement or agreements.
24. The agreement for grant of distribution, exhibition and exploitation rights of the said picture to the **“World Right Controllers”** and for appointing them as **“World Right Controllers”** for the said picture shall be sole, exclusive and shall be irrevocable on the part of the **“Producers”**.
25. Any indulgence or relaxation on the part of the **“World Right Controllers”** shall be without prejudice to the strict rights of the **“World Right Controllers”** and such indulgence or relaxation shall not be a ground or defense to the **“Producers”**.
26. This agreement shall not constitute a partnership between the **“Producers”** and the **“World Right Controllers”**.

IN WITNESS WHEREOF the parties hereto have hereunder set and subscribed their respective hands and seals the day and year first hereinabove written.