

DIRECT PAYMENT RIDER TO AGENCY/PRODUCER COMMERCIAL PRODUCTION AGREEMENT
("Direct Payment Rider")

1. DEFINITIONS

In addition to the definitions in Section 2 below, as used herein:

- (a) "Production Agreement" means the television commercial production agreement between the undersigned advertising agency ("Agency") and undersigned production company ("Producer") which is referred to as "Agreement" in Section 2 below and is identified as follows: (Insert name of Commercial, job number, Production Agreement date, etc.)

- (b) "Editorial Subcontract" means the subcontract between the Producer as contractor and the editorial company executing the Risk of Loss Rider ("Editor") as subcontractor for the television commercial(s) covered by the Production Agreement.

- (c) "Negative" means the original camera negative referred to in Section 2 below.

2. The following paragraph is incorporated in the Production Agreement:

DIRECT PAYMENT ASSIGNMENT FOR PRODUCER'S EDITORIAL SUBCONTRACT CHARGES

Producer shall subcontract directly on its own behalf with the editorial company designated in this Agreement (herein "Editor") for post production completion of the final videotape master and for shipment thereof together with the original camera negative via common carrier to an out-of-state storage facility specified by Agency (or its Client). For the Producer's convenience and in order to help contain Producer's administrative and accounting costs and to facilitate Producer's agreement to expedited payment terms in its subcontract with the Editor, Producer, as assignor, hereby assigns to the Editor, as assignee, the editorial portion of the production budget ("Editorial Subcontract Charge") for the commercial(s) covered by this Agreement and Producer directs Agency to pay such sum on Producer's account directly to the Editor in accordance with this Agreement's payment terms. This Assignment shall not be deemed a contract between the Agency (or its Client) and the Editor, who shall at all times be the subcontractor of the Producer.

Agreed and Accepted:

_____ ("Producer")	_____ ("Agency")
By: _____	By: _____
Title: _____	Title: _____

**RISK OF LOSS RIDER TO AGENCY/PRODUCER COMMERCIAL PRODUCTION AGREEMENT
AND PRODUCER/EDITOR SUBCONTRACT ("Risk of Loss Rider")**

1. DEFINITIONS

The Definitions in the Direct Payment Rider are hereby incorporated by reference.

2. TERMINATION OF RISK OF LOSS

Notwithstanding anything to the contrary in the Production Agreement, the Producer's risk of loss for the Negative, any obligation or liability of Producer to insure the Negative, the Agency, its clients or the Commercial and any obligation or liability of Producer relating to post production completion, including editorial, shall end upon delivery of the Negative to the Editor specified in the Production Agreement.

3. Notwithstanding anything to the contrary in the Editorial Subcontract:

- (a) Editor assumes the risk of loss for the Negative upon receipt of the Negative at its premises and until the earlier of (i) delivery of the Negative to the out of state storage facility designated by the Agency; (ii) delivery of a D1 or D2 color-corrected master to the Agency (if the Agency so instructs) or Agency's out of state storage facility; (iii) delivery of the Negative to the Agency, if the Agency so instructs; or (iv) delivery of the Negative to an Agency designee prior to delivery to the out of state storage facility. Editor shall supply Producer with written proof of delivery as set forth in this paragraph 3(a).
- (b) Editor agrees to perform post production completion and shipment out of state, as specified in the Production Agreement.
- (c) Editor shall obtain from an insurance carrier reasonably acceptable to Agency and shall maintain at Editor's own cost and expense during all phases of post production, including the editorial phase, insurance policies protecting Agency and Client against the perils covered under the Negative Film and Videotape section of the film production package policy that the editor purchases. Such coverage is limited to the cost to re-shoot the commercial identified paragraph 1(a) in the "Direct Payment Rider", above, not to exceed ten percent (10%) above the original actual costs subject to all terms conditions and exclusions of the film production package policy purchased by the Editor. Unless Editor has previously provided Producer with a current Certificate of Insurance consistent with this paragraph 3(c), Editor shall provide such Certificate of Insurance.
- (d) The Producer shall advise the Editor in writing prior to the commencement of any job where the gross production costs exceed \$1,500,000.
- (e) The Producer shall reasonably cooperate with the Editor's insurance carrier in the event of loss or damage to the insured Negative. Such cooperation includes but is not limited to the following:
- i. cooperating with the insurance carrier to adjust the loss
 - ii. provide the insurance carrier with the original bills for the actual shoot
 - iii. provide the insurance carrier with the original bills for the re-shoot.
- (f) Editor shall not be liable for any acts or omissions occurring prior to the delivery of the Negative to the Editor.

Agreed and Accepted:

_____ ("Producer")	_____ ("Editor")	_____ ("Agency")
By: _____	By: _____	By: _____
Title: _____	Title: _____	Title: _____