



ROGERS TELEFUND

a fund for critical interim support for Canadian independent producers

Objectives

Rogers Telefund, established in 1980 by Rogers Communications Inc., provides financing assistance for the production of quality Canadian television programming.

Rogers Telefund operates primarily as an interim or bridge lender, advancing funds against secured commitments to eligible, independent Canadian producers in order that production can be completed before all production financing payments are advanced. Secured commitments usually take the form of Canadian broadcast license agreements and funding agencies' equity investment agreements and commitments from the Canadian Television Fund. The Telefund's interim loans fulfill a critical need in the financing of independent Canadian productions by providing funds when they are most needed -- at the production stage.

The Telefund, now in excess of \$23 million, is a revolving fund: As monies are repaid, they become available to fund other projects. Rogers is proud to be associated with some of Canada's most talented production companies, helping to support programming that appeals to audiences both at home and abroad. Many of the shows that the Telefund has assisted have won numerous awards and continue to sell around the world. Rogers Telefund encourages projects from all regions in Canada and traditionally a significant portion of its' commitments are made to projects produced outside Toronto and Montreal.

Eligibility Criteria

While Rogers Telefund will consider many categories of programming including drama, children's programs and documentaries, it is fundamental to the evaluation and selection process that the projects be outstanding in both quality and Canadian theme. The Telefund has a strong preference for television projects and requires that a Canadian broadcaster be in place before a project will be considered for interim financing. Rogers Telefund has been successfully involved in the past with several award-winning feature films and will continue to consider feature film projects, but only those that are distinctly Canadian. As the Telefund's mandate is to provide interim financing, all production financing must be contractually committed before funds are advanced.



Terms and Conditions of Telefund Loans

The size of a loan is dependent upon the nature of the project and the needs of the producer. The interest rate is always lower than that charged by financial institutions or other leading agencies, and there is no placement or administration fee.

It is expected that the producer pay legal expenses incurred in connection with a loan.

As security for a loan, Rogers Telefund requires a security interest in the project, including an assignment of the producer's interest in the copyright in the project and in any underlying works and of license fees and other revenues generated by the project. The Telefund usually requires that there be a completion guarantee for the project with a recognized Canadian completion guarantor naming Rogers Cable Inc. as a beneficiary (*deferral or escrow arrangements may also be acceptable on a case-by-case basis*). Rogers Cable Inc. must also be named as an additional insured under the insurance policies for the production, including the errors and omissions policy.

It is also required that Rogers Telefund receive a prominent credit on the production, as well as an acknowledgment of Rogers' contribution in all publicity material. Because all Telefund funds are continuously committed to new projects, Rogers stresses the timely repayment of its' loans and requires the producer to report to the Telefund on a quarterly basis on the status of the project while a loan is outstanding.

Documentation

As part of the evaluation process, Rogers Telefund reviews the following documentation:

1. chain of title
2. insurance and completion guarantees
3. financing breakdown and copies of all financing agreements, including equity investment agreements, license agreements and distribution and sales agency agreements
4. detailed production budget
5. projected cash flow
6. schedule of anticipated repayment to Rogers Telefund
7. production schedule



8. final scripts (including series bible, where applicable)
9. detailed biographies of key production personnel, including producer, director and writer
10. company profile

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