

## **HBO Entertainment**

### **PRODUCTION AGREEMENT**

THIS AGREEMENT is made and entered into between HBO Entertainment ("Employer") and the INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES, MOVING PICTURE TECHNICIANS, ARTISTS and ALLIED CRAFTS OF THE UNITED STATES AND CANADA, AFL-CIO, CLC ("Union").

Employer is engaged in the production of filmed dramatic episodic and mini-series television programs throughout the United States for first exhibition on the Home Box Office Pay Television Service. The Union represents motion picture technicians and artisans whose services are utilized by the Employer in connection with its productions. It is the intent of the parties hereto that this Agreement establish the wages and working conditions applicable to such motion picture production technicians and artisans.

#### ARTICLE I - SCOPE AND APPLICATION

This Agreement shall be applicable to dramatic episodic and mini-series television programs, including those made on film, tape or otherwise whether by means of motion picture cameras, electronic cameras or new devices without regard to their manner of distributing or viewing which are produced in the United States by HBO Entertainment or by production entities which it controls for first exhibition on the Home Box Office Pay Television Service.<sup>1</sup> The foregoing sentence is intended to address new production technologies and does not expand the coverage of this agreement to types of programming not covered under prior agreements.

#### ARTICLE II – SUBCONTRACTING

The Employer and the Union recognize the existence of past subcontracting practices within the multi-employer bargaining unit established by the I.A.T.S.E. Basic Agreement.

The Employer, as a matter of preservation of work for employees who have historically and traditionally performed work under the crafts and classifications which are common to both this Agreement and the I.A.T.S.E. Basic Agreement, agrees that as to bargaining unit work of a type which has not heretofore been subcontracted pursuant to such Agreements, the Employer will subcontract such bargaining unit work to any other person, corporation, joint venture or entity only: (1) if the Employer first notified the Union in writing of its intention to subcontract, and (2) the direct labor costs of the person, corporation, joint venture or entity who will perform

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<sup>1</sup> In recognition of the fact that the Union represents motion picture technicians and artisans in Canada, the Employer will notify the Union in advance of projects it intends to produce in Canada and will discuss its intended production plans for Canada with the appropriate Canadian affiliate(s) of the Union. Employer shall not engage in discussions with any other organization representing technical trades in Canada prior to engaging in discussions with the Union and will not authorize third parties to do so.

such work under said subcontract are not less than the direct labor costs set forth in this Agreement; or (3) if the Employer lacks the requisite technology, facilities or equipment to perform the work.

In order to effectively enforce the provisions of this Article II, the Employer agrees that records in its possession or those to which the Employer has access pertaining to direct labor costs will be made available for inspection within twenty (20) days after a written request therefor by the Union.

A complaint by the Union of a violation of this Article II shall be subject to the Grievance Procedure set forth in Article IX of this Agreement.

### ARTICLE III - RECOGNITION

The Employer recognizes the Union as the exclusive collective bargaining representative of all production technicians and artisans employed in classifications traditionally represented by the Union.<sup>2</sup> This Agreement is not applicable to office clerical employees, production assistants, guards or supervisors as defined by the National Labor Relations Act.

### ARTICLE IV - UNION SECURITY

Employees covered by this Agreement, as a condition of employment, shall become and thereafter remain members in good standing of the Union on and after the thirtieth day of their employment or thirty days following the execution of this Agreement, whichever is the later date. The foregoing shall be subject to and limited by applicable State law, and to the extent that any applicable State law does not permit the form of union security herein provided, then and in that event, this Agreement shall be deemed to provide for the maximum form of union security permitted by said State law. The foregoing obligation shall be deemed satisfied by membership in any local union affiliated with the Union. "Members in good standing" shall be defined, interpreted and implemented by the parties as an employee who meets the financial obligations only in accordance with the provisions of the National Labor Relations Act.

### ARTICLE V - ADMINISTRATION

In order to achieve consistency and continuity in the administration of this Agreement, the Union shall designate an International Representative responsible for the administration of the Agreement. The Employer shall designate a representative responsible for the administration of the Agreement.

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<sup>2</sup> Production office coordinators, assistant production office coordinators, production accountants, assistant production accountants, and art department coordinators shall be included on a production-by-production basis only.  
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## ARTICLE VI - ACCESS

The designated representatives of the Union, including Local Union representatives authorized by the IATSE, shall be permitted reasonable access to all production sites where persons covered by the Agreement are performing services.

## ARTICLES VII - JOB STEWARD

The Union may appoint separate stewards for production and off production units. The identity of the designated stewards shall be made known to the production manager of each covered program. It is understood that stewards shall in no way be discriminated against for any cause whatsoever in the performance of their duties as steward.

## ARTICLE VIII - NO DISCRIMINATION

The Employer and the Union agree that there shall be no discrimination against any employee or prospective employee due to race, color, creed, sex, age, physical handicap, Union membership or national origin or as otherwise provided in applicable state or federal legislation.

## ARTICLE IX - GRIEVANCE PROCEDURE

Any dispute between the Union and the Employer concerning the interpretation and/or application of this Agreement, which cannot be initially resolved between the Union's designated representative including Local Union representatives authorized by the IATSE, and the program's Unit Production Manager or Producer or thereafter be resolved by the International President of the Union or his designated representative and the Employer's designated representative may be submitted to arbitration by either party for resolution. If an arbitrator cannot be mutually selected, then one shall be selected by lot from an arbitration panel obtained from the American Arbitration Association. The arbitrator and parties shall follow the labor arbitration rules of the American Arbitration Association. Any claim not reduced to writing and submitted to other party within thirty (30) calendar days following the incident giving rise to the claim or within thirty (30) calendar days after the employee or the Union had a reasonable opportunity to become aware of the incident, whichever is the later, but in no event more than one year after the incident, shall be deemed to be waived.

## ARTICLE X - NO STRIKE - NO LOCKOUT

During the term of this Agreement, there shall be no strikes, picketing, work stoppages or disruptive activity by the Union or by an employee, or lockout by the Employer.

## ARTICLE XI - MULTI-EMPLOYER UNIT

Notwithstanding the geographical scope of this Agreement, the employees hired by the Employer to perform services in the County of Los Angeles, or hired by the Employer in the County of Los Angeles to perform services outside the County of Los Angeles shall be deemed to be within the multi-employer bargaining unit established by the Producer - I.A.T.S.E. 2006 Basic Agreement and its successor agreement ("BA") and subject to the BA's provisions covering the Industry Experience Roster, Health, Pension and Individual Account Plans and the Contract Services Administration Trust Fund; provided, however, the wages, working conditions and other terms and conditions of this Agreement shall be fully applicable to employees covered by this Agreement.

## ARTICLE XII - PREFERENCE OF EMPLOYMENT

(a) In hiring persons within the geographic area covered by Article XI hereof, the Employer will adhere to the provisions thereof; provided, however, it is agreed that individuals otherwise entitled to preference who are not willing to work for the rates and conditions established by this Agreement shall be deemed "unavailable" and the Employer may then hire from any source. Further, the Union, through its affiliated local unions within said geographic area will initiate procedures to provide the Employer on a timely basis with the names of individuals entitled to preference who will work for the minimum rates and conditions established by this Agreement.

(b) Notwithstanding the general applicability of the Industry Experience Roster, a reasonable number of employees in creative classifications who are not on the roster may be requested by the director or show runner (individual in overall charge of the development and production of the show). Such requests made by the Employer to the Union prior to the execution of an applicable "Project Agreement" shall not be unreasonably denied. Such employment shall be deemed qualified employment experience for placement on the Industry Experience Roster.

(c) Outside of the geographic area covered by (a) above, the Employer will give first consideration to qualified persons referred by local union affiliates of the Union in the geographic area of a covered production.

## ARTICLE XIII - MINIMUM TERMS AND CONDITIONS

The wage scales and working condition provisions of this Agreement shall be minimums, and employees shall not be precluded from obtaining "better conditions" as that term is understood in the motion picture industry. Any employee enjoying such better conditions shall not have their wages or working conditions reduced as a consequence of this Agreement.

#### ARTICLE XIV - ASSISTANCE/INTERCHANGE

Where the grip, property and electric departments have been staffed by a department head, assistant and a journey person, they and others within said departments may assist each other in the performance of the respective duties of said departments.

#### ARTICLE XV - WORK DAY, WEEK AND MINIMUM CALLS

(a) The work week shall be any five or six consecutive work days within seven consecutive days. The minimum daily work call during pre-production and production shall be eight (8) hours excluding meals. Work time begins at the time of the set call and ends at the time of set dismissal. The minimum call on a prep day involving only a production meeting and on a wrap only day shall be four (4) hours, but if the four (4) hours are exceeded, the minimum call shall be eight (8) hours excluding meals. The minimum call on a travel only day shall be four (4) hours and the maximum shall be eight (8) hours paid as a straight time allowance.

(b) In situations involving a change of schedule for regularly-scheduled employees, accommodations will be made, to the extent practicable, to avoid a reduction in the number of workdays for the employee, without requiring the Employer to pay premium pay.

(c) The Employer shall give reasonable notice of a change of shift (*e.g.*, from a Monday through Friday shift to a Tuesday through Saturday shift) to regularly-scheduled employees. In the event that the employee would receive fewer than two (2) days off in the workweek as a result of the shift change, the following alternatives shall be available:

- (i) As to “off production” employees:
  - (A) If the Employer and the employee so agree, the employee may work at straight time without having two (2) days off;
  - (B) The Employer may require employees to take an additional day off, thereby avoiding premium pay; or
  - (C) The Employer must pay the employee time and one-half if it requires the employee to work on the day which would otherwise be the employee’s regularly-scheduled day off.
- (ii) As to “on production” employees, once during the production of a motion picture, or in the case of episodic television, once between hiatus periods (*i.e.*, between the commencement or resumption of production and a cessation of principal photography for the series for at least one week), the Employer may shift the workweek for employees working on production without incurring extra costs by adding one (1) or two (2) days off consecutive with the sixth and/or seventh days off in the prior workweek

and/or by shifting a workweek commencing on a Tuesday to a workweek commencing on a Monday, provided that the intervening Sunday is a day off. Otherwise, the Employer must pay the employee appropriate premium pay if it requires the employee to work on the day(s) which would otherwise be the employee's regularly-scheduled day(s) off. In addition to the shift in the workweek outlined above, the Union agrees that it will not unreasonably deny a request to shift the workweek of production employees without incurring additional costs when a production travels to a new city.

- (d) The Employer shall endeavor to make reasonable accommodations for regularly-scheduled employees on payroll who do not wish to change to a new shift that includes Saturday or Sunday as regularly-scheduled workday(s).

#### ARTICLE XVI - OVERTIME

(a) The first eight (8) work hours during the first five days of a work week shall be at straight time. Work hours in excess of eight (8) on the first five days of the work week and on a sixth work day shall be paid at time and one-half.

(b) Double time shall be paid after fourteen (14) elapsed hours on the first six days of the work week and for all hours worked on a seventh day in a work week, or on a designated holiday, except as hereafter provided. For established episodic series, double time will commence after twelve (12) work hours.

(c) All time is to be computed in one-tenth (1/10) hourly units, and overtime premiums shall not be compounded.

#### ARTICLE XVII - REST PERIODS

There shall be a ten (10) hour rest period from set wrap to set call for both on and off production personnel, except as otherwise provided in Article XIX. If at least six (6) hours of rest have been provided, the employee shall be paid on return to work at the applicable hourly rate, plus an additional hour of straight time for all invaded hours or portion thereof. If less than six (6) hours of rest have been provided, then the employee shall be called back and paid the applicable hourly rate, plus an additional hour of straight time for all hours worked until a ten (10) hour rest period has been provided.

ARTICLE XVIII - MEALS

(a) Meal periods shall not be less than one-half (1/2) hour nor more than one (1) hour in length. Not more than one meal period shall be deducted from work time for an employee during the minimum call. (A second meal period may be deducted from work time for those employees who work in excess of the minimum call.)

(b) The employee's first meal period should commence within six (6) hours following the time of first call for the day; succeeding meal periods shall commence within six (6) hours after the end of the preceding meal period. An employee's first meal period shall commence no earlier than three (3) hours after such employee reports for work except for persons called in earlier than the regular crew call who are provided with a non-deductible breakfast in which case their first deductible meal period will be due at the same time as the meal is due for the regular crew.

(c) The first deductible meal period may be extended by fifteen minutes to complete a set up and a second deductible meal period may be extended by thirty minutes to complete a set up and/or wrap. Extensions of the meal periods are not to be scheduled and, if exceeded, meal penalties shall relate back to the time the meal was otherwise due. Any second meal, excluding a non-deductible breakfast, may be a non-deductible walking meal, provided each employee is given a reasonable opportunity to eat and is dismissed within two (2) hours from the time the meal was otherwise due.

(d) A meal penalty allowance for delayed meals shall be computed as follows:

- (1) First 3/4 hour meal delay  
or fraction thereof.....\$8.50
  
- (2) Second and each succeeding 3/4 hour  
meal delay or fraction thereof .....\$12.50

Such allowance shall be in addition to the compensation for work time during the delay and shall not be applied as part of any guarantee.

(e) If meal penalty violations become excessive with respect to any episodic series, the following shall apply:

(1) For a first and second week in a production cycle in which more than twelve (12) meal period penalties are incurred, all subsequent meal period penalties in such work week shall be paid at \$15.00 in one-half hour increments; and

(2) Thereafter for all subsequent weeks in a production cycle in which more than twelve (12) meal period penalties are incurred, all subsequent meal period penalties in such work week shall be paid at \$20.00 in one-half hour increments.

The foregoing penalty threshold shall be based on the penalties incurred by the majority of the production crew with a common daily work call time.

#### ARTICLE XIX - LOCATIONS/TRAVEL

(a) Employees shall report to work at designated local production locations within a circular thirty (30) mile zone, the radius of which is the Employer's production office, unless there are access difficulties, in which case the Employer will make appropriate transportation arrangements.

(b) Employees may be requested to report to a production location outside the thirty (30) mile zone, in which case the employee shall be paid mileage, computed from the perimeter of the distance from the thirty (30) mile zone to the reporting place and return calculated at the rate provided by the Internal Revenue Service (currently 50.5 cents per mile). Such travel time outside of the thirty (30) mile zone shall be paid as an allowance at the employee's regular hourly rate. Rest periods shall be calculated from the time an employee returns to and/or departs from the perimeter of the thirty (30) mile zone.

(c) A "Nearby Hire" is any person who resides outside sixty (60) miles of the production location and within the geographical jurisdiction of the Studio Mechanics Local Union administering the Agreement (including Camera department, Post Production and Art Department Employees). Nearby Hires shall be paid a weekly living allowance of no less than \$350.00 per week, or \$50.00 per day. Effective January 1, 2009, the allowance shall be increased to \$364.00 per week, or \$52.00 per day. The Employer shall pay each employee on nearby location \$50.00 for each idle day in a workweek. Effective January 1, 2009, that amount will be increased to \$52.00. For 6-day workweeks only, the Employer shall contribute the daily benefit plan contribution in the amount specified in Article XXII on behalf of each nearby employee for each idle seventh day. The living allowance and idle day provisions shall not apply to an employee hired in a designated Production City (Appendix A, Paragraphs 1, 2 and 3) required to report to a production location within the established production zone for each production city. Nearby Hires shall be paid "set to set."

(d) A "Distant Hire" is any person who resides outside the geographical definition of a Nearby Hire in a given production area. Distant Hires shall be provided with reasonable single occupancy hotel accommodations. The Employer shall pay each employee on distant location \$50.00 for each idle day in a workweek. The idle day pay shall be increased to \$52 per day effective January 1, 2009. The Employer shall make benefit contributions on behalf of each Distant Hire employee in the amount specified in Article XXII of this agreement for each idle day. Distant Hire employees shall be paid "Portal to Portal."

(e) For distant hires receiving per diem, the Employer shall pay per diem at the following rates per day:

Breakfast	\$8.50
Lunch	\$15.50
Dinner	<u>\$26.00</u>
Total Per Diem	\$50.00

The per diem payment shall be increased to \$52.00 per day effective January 1, 2009, with the amount allocated to dinner being increased to \$28.00.

The \$50.00 or \$52.00 per day may be reduced by the above-stated amounts for each meal which is provided by the Employer.

(f) The Employer may request employees to sign a written statement attesting to their principal residency. A false statement of residency will result in immediate discharge.

(g) If the Employer replaces a Nearby Hire or a Distant Hire with a Local Hire, it shall either give two (2) weeks notice to the Nearby or Distant Hire of the replacement or, if such Nearby Hire or Distant Hire is replaced prior to receiving two (2) weeks notice, the Employer shall pay to any such Nearby Hire the balance of the living allowance that the Nearby Hire would have received had he continued working for the full two (2) week notice period or, in the case of a Distant Hire, shall pay to the Distant Hire the balance of the cost of housing for such Distant Hire plus per diem that the Distant Hire would have received had he continued working for the full two (2) week notice period.

(h) Employees may be provided coach class air transportation to and from an overnight location.

(i) Travel time on overnight location from the housing facility to the production site will be considered as work time, except that the first sixty (60) minutes of daily travel time from or to the housing facility shall not be deemed as work time. Further, an employee shall be provided with transportation to and from the daily production locations. Rest periods shall be calculated from time of set dismissal to set call.

(j) Travel-and-Work or Work-and-Travel

Travel time within the minimum eight (8) hour workday shall be paid for as work time and computed towards the commencement of double time (for work time after twelve (12) or fourteen (14) hours in a day), but shall not be paid for at the double time rate. If travel time occurs outside the minimum eight (8) hour workday, it shall be deemed to be work time, but shall not be used in determining the commencement of hours at which double time is paid. However, travel time occurring outside the minimum eight (8) hour workday and between the hours of 6:00 p.m. and 6:00 a.m., when sleeping accommodations are provided, shall not be deemed to be travel time or work time.

## ARTICLE XX - CANCELLATION OF CALLS

In the event of cancellation for previously called employees, it is understood that if notification is not given by the completion of the previous day's work, then the employee shall be paid an eight (8) hour minimum call, unless the canceled call was for a travel only or wrap in which case the employee shall be paid a four (4) hour minimum call.

## ARTICLE XXI - HOLIDAYS

The following shall be recognized as holidays: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving and Christmas Day. Holidays are to be celebrated on the day they are officially celebrated. Weekly employees shall be paid for an unworked holiday falling within their regular work week. Daily employees will be paid for unworked holidays, provided the daily employee has worked for all the scheduled workdays in his/her department for three weeks prior to the holiday.

## ARTICLE XXII - BENEFITS

(a) The provisions of Article XI shall be applicable to employees hired by the Employer to perform services in the County of Los Angeles, or hired by the Employer in the County of Los Angeles to perform services outside the County of Los Angeles. The foregoing shall include the payment of eight (8) hours of benefit contributions for each non-worked (idle) day spent on an overnight location except as provided in footnote 3 above. For non-Los Angeles based camera personnel, post-production personnel, publicists and Local 52 personnel where MPIP benefits apply and Local 161 personnel where MPIP benefits apply, contributions shall be made to the Los Angeles motion picture industry plans in the same manner and at the same contribution rates as are provided under the applicable agreements between the Union and the AMPTP for the major motion picture producers. For purposes of determining such rates and the impact thereon of prior supplemental markets contributions, the Employer shall be treated as a member of the Time-Warner family of companies and credited with such contributions as have been made by other members of that family of companies.

(b) For persons hired within the geographical jurisdiction of chartered Studio Mechanics Locals of the I.A.T.S.E., benefit contributions shall be made to the I.A.T.S.E. National Health and Welfare, I.A.T.S.E. Annuity Plan, and I.A.T.S.E. National Pension Plan as follows:

Effective January 1, 2008 - \$61.00 a day  
(Health \$\_\_\_\_, Annuity \$\_\_\_\_, and Pension \$\_\_\_\_)

Effective January 1, 2009 - \$65.00 a day  
(Health \$\_\_\_\_, Annuity \$\_\_\_\_, and Pension \$\_\_\_\_)

Effective January 1, 2010 - \$69.00 a day  
(Health \$\_\_\_\_\_, Annuity \$\_\_\_\_\_, and Pension \$\_\_\_\_\_)

The I.A.T.S.E. may reallocate contributions at any time during the term of this Agreement, but in no event will the aggregate contribution exceed the maximums set forth above.

(c) For persons hired in the designated Production Cities listed below or elsewhere who are not otherwise covered above or within the jurisdiction of other Local Unions of the I.A.T.S.E.,<sup>3</sup> having their own established benefit plans that meet the requirements of 29 U.S.C. 302, contributions shall be made to such benefit plans (or to one or more of the I.A.T.S.E. National Benefit Funds where no comparable local plan exists) at the same rate uniformly required of other contributing employers, not to exceed the following aggregate daily amount:

Effective January 1, 2008 - \$94.00 a day  
Effective January 1, 2009 - \$98.00 a day  
Effective January 1, 2010 - \$102.00 a day

Each Local may designate and reallocate contributions among its own established benefit plans, but in no event will the aggregate contribution to each Local's plan exceed the maximums set forth above.

The Production Cities include:

Chicago, Illinois  
Cleveland, Ohio  
Detroit, Michigan  
District of Columbia (Washington, DC)  
Orlando, Florida  
San Francisco, California  
St. Louis, Missouri  
New York, New York

Exceptions to Production Cities benefits contributions:

Employees represented by Locals 52 and 161 will receive the Production City benefit contribution rates as stated above when hired from and working outside the New York City Metropolitan Area. Such contributions shall be paid to the I.A.T.S.E. National Benefit Funds. Employees represented by Locals 52 and 161 working in the New York Metropolitan area, and employees represented by Locals 52 and 161 hired in the New York Metropolitan area to perform services outside such area shall have benefit contributions remitted to the Motion Picture Industry Pension and Health Plans on the same basis as provided for in their respective "Majors" agreements with the motion picture studios.

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<sup>3</sup> Including but not limited to IATSE Locals 764 and 798.  
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(d) Other than persons on whose behalf benefit contributions are required to be made to the Motion Picture Industry Pension and Health Plans, contributions shall be made on behalf of each covered employee to the IATSE Annuity Plan or applicable Local Union plan as follows:

- (1) Effective January 1, 2008, three percent (3%) of the employee's scale basic regular hourly rate for all hours worked or guaranteed.
- (2) Effective January 1, 2009, three and one-half percent (3.5%) of the employee's scale basic regular hourly rate for all hours worked or guaranteed.
- (3) Effective January 1, 2010, four percent (4%) of the employee's scale basic regular hourly rate for all hours worked or guaranteed.

(e) The Employer will execute any documents required to constitute it an appropriate Employer contributor to any of the foregoing benefit plans.

#### ARTICLE XXIII - 401(k) PLANS

If an employee covered by this Agreement is eligible to participate in an IRS Qualified 401(k) Plan sponsored by the IATSE or an IATSE Local Union, the Employer will honor the written authorization of such employee to deduct from the employee's gross wages the specified eligible amount to be remitted to such 401(k) Plan. Either the Local Union sponsoring such 401(k) Plan or the Plan Administrator shall confirm in writing that employees are eligible to participate and shall provide any other information relevant to the proper administration of authorized employee contributions to the Employer or its designated payroll service who may be assigned administrative responsibility for this provision. No Employer contribution shall be required by this section.

#### ARTICLE XXIV - BEREAVEMENT LEAVE

In the event of the death of a parent, sibling, grandparent, spouse, or child of an eligible employee, such employee shall be allowed up to three paid days off and his/her job shall be available upon return from bereavement leave. Employees who work fifty percent (50%) or more of the total work days of their department shall be deemed eligible for bereavement leave pay. Payment for bereavement leave may be deferred until the Employer can determine the employee's eligibility. Bereavement pay shall be calculated on the same basis as unworked holidays.

#### ARTICLE XXV - VOLUNTARY POLITICAL CONTRIBUTIONS

The Employer agrees to deduct from each employee's gross wages at each payroll period such voluntary contributions to the IATSE Political Action Committee ("IATSE PAC") as the employee has authorized in writing to be deducted. At least once a month, the Employer will issue a single sheet for deductions payable to the IATSE PAC and remit same directly to the

IATSE PAC along with the check. The Employer will provide the PAC with the following information: (1) the name of each employee for whom a deduction has been made, (2) the employee's social security number, and (3) the amount of the deduction. Employees who wish to cancel or modify their deduction will sign a card supplied by the Union for such purpose. The Union will be responsible for obtaining any refund from the IATSE PAC. The Union will reimburse the Employer annually for all actual costs incurred in administering this deduction and will indemnify and hold harmless the Employer from any and all liability arising from deductions provided for in this section. Administration of the foregoing may be assigned to the Employer's payroll service.

#### ARTICLE XXVI - SAFETY AND HEALTH

The Company shall take appropriate steps to distribute to all appropriate production personnel Safety and Health Bulletins promulgated by the Alliance of Motion Picture and Television Producers, Inc. and Contract Services Administration Trust Fund and secure compliance with same.

#### ARTICLE XXVII – RELEASE OF PROGRAMS PRODUCED UNDER THIS AGREEMENT ON CASSETTES

(a) The provisions of this Article relate and apply only to programs produced by Employer during the term hereof and subject to this Agreement:

1. The principal photography of which commenced on or after January 1, 2005 and which are released in the "Cassettes" market; as defined below, provided, however, that this Article shall not apply and no residuals shall be payable with respect to any program if principal photography of such program or the pilot for such program commenced prior to January 1, 2005; and

2. Produced with employees employed by Employer under Article X of this Agreement.<sup>4</sup> Notwithstanding the foregoing, no residuals shall be required to be paid with respect to any program on which the only employees employed under Article X of this Agreement performed post-production (including editorial) work.

(b) The term "Cassettes" shall have the same meaning as it has under Article XXVIII (a)(3)(i) of the IATSE Basic Agreement.

(c) For sales of a covered program as defined in subparagraph (a)(1) and (2) of this Article by means of Cassettes, the following shall apply:

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<sup>4</sup> Employees employed under the Local #600 Amendment Agreement or the Local #871 Amendment Agreement shall not be considered "employees employed by Employer under Article X of this Agreement" for purposes of subparagraph (a) of this Article XXVI. Employees employed under the Local #700 Amendment Agreement shall not be considered "employees employed by Employer under this Agreement" for any purpose under this Article XXVI.

(1) The Employer will pay six percent (6%) of the "Employer's gross," as defined below (prorated, if appropriate pursuant to subparagraph o, below) from "net unit sales" in excess of 100,000 units in the aggregate. No payment shall be due on Employer's Gross attributable to sale of the first 100,000 units.

(2) "Net unit sales" shall mean the sales of units which are released by the Employer or its distributor for sale and are not returned, or released by the Employer or its distributor for rental purposes.

(3) If the Employer is the Distributor or the Distributor is owned by or affiliated with the Employer, the "Employer's gross" derived from the distribution of such programs by Cassettes shall be twenty percent (20%) of the worldwide wholesale receipts derived by the Distributor. In such cases, if the Distributor is also the retailer, a reasonable allocation of the retail gross receipts shall be made as between the Distributor as distributor and the Distributor as retailer, and twenty percent (20%) of the former only shall be deemed to be "Employer's Gross." The reasonableness of such allocation shall be subject to arbitration and, in such arbitration, generally prevailing trade practices in the Cassette industry with respect to dealings between non-related companies shall be relevant evidence.

(4) If the Distributor is not the Employer and is not owned by or affiliated with the Employer, the "Employer's Gross" shall be one hundred percent (100%) of the fees received by the Employer from licensing the right to distribute such programs by Cassettes.

(d) The Employer's Gross shall not include:

1. Sums realized or held by way of deposit, as security, until and unless earned, other than such sums as are non-returnable;
2. Rebates, credits or repayments for cassettes returned (and, in this connection, the Producer shall have the right to set up a reasonable reserve for returns);
3. Sums required to be paid or withheld as taxes, in the nature of turnover taxes, sales taxes or similar taxes based on the actual receipts of such motion picture or on any monies to be remitted to or by the Producer, but there shall not be excluded from Producer's gross any net income tax, franchise tax or excess profit tax or similar tax payable by the Producer or such distributor on its net income or for the privilege of doing business;
4. Frozen foreign currency until the Producer shall either have the right to freely use such foreign currency, or Producer has the right to transmit to the United States such foreign currency from the country or territory where it is frozen. If such currency may be utilized or transmitted as aforesaid, it shall be deemed to have been converted to United States dollars at the rate of exchange at which said currency was actually transmitted to the United States as aforesaid, or, if not actually transmitted, then at the prevailing free market rate of exchange at the time such right to use or to transmit occurs. Frozen foreign currency shall be deemed to be unblocked on the basis of "first-in, first-out" unless otherwise allocated by local

foreign fiscal authorities. Allocation of such unblocked funds as between revenue which serves as the basis of determining payments hereunder and other revenue shall be on a proportional basis, subject to different earmarking by local foreign fiscal authorities.

5. Sums paid to any advertising agency in connection with any distribution of a program by means of Cassettes.

e. Monies payable hereunder shall be paid to the Active Employees Fund of the Motion Picture Industry Health Plan. Notwithstanding the foregoing, on an annual basis during the term of this Agreement, if the IATSE, Basic Crafts and AMPTP agree to allocate Supplemental Markets income under the IATSE Basic Agreement to either the Motion Picture Industry Pension Plan or the Motion Picture Industry Individual Account Plan or to allocate portions thereof to one or more of the Industry Plans, monies payable hereunder shall be allocated between said Plans in the same manner.

f. Such gross income realized in foreign currency in any reporting period required hereunder shall be deemed to be converted to United States dollars at the prevailing market rate of exchange at the close of such reporting period, except that when such gross income has actually been transmitted to the United States, it shall be deemed converted to United States dollars at the rate of exchange at which such foreign currency was actually so transmitted.

g. Allocation of Producer's Gross

If any agreement for distribution in the Cassette market includes more than one motion picture, or includes both Cassette rights and other rights, the Producer shall make a reasonable allocation for purposes of determining payments due hereunder. If the Plans contend that such allocation is not reasonable, then such claim shall be submitted to arbitration.

h. Producer's obligation shall accrue hereunder only after "Producer's Gross" is received by the Producer. Payments of amounts accruing hereunder shall be made quarterly on the basis of quarterly statements, as hereinafter provided. Should any discounts, taxes, duties or charges be imposed in connection with the receipt or remittance of foreign funds, only so much of such funds as remain thereafter shall be included in "Producer's gross." Producer shall not be responsible for loss or diminution of foreign receipts as a result of any matter or thing not reasonably within the control of the Producer. The Plans shall be bound by any arrangement made in good faith by the Producer, or for its account, with respect to the deposit or remittance of foreign revenue. Frozen foreign receipts shall not be considered trust funds and the Producer may freely commingle the same with other funds of the Producer.

i. If any license or outright sale of exhibition rights to the motion picture in the Cassette market includes as a part thereof any filmed commercial or advertising material, the Producer shall be permitted to allocate a reasonable amount (in accordance with then current standard charges in the industry) to such commercial or advertising material, and the amount so allocated shall not be included in Producer's gross hereunder.

j. Such payments made hereunder to the Plans are not and shall not in any manner be construed to be wages due to any individual employee, nor in any manner be liable for or subject to the debts, contracts, liabilities or torts of any employee.

k. Within a reasonable time after the close of the calendar or fiscal quarter, but not exceeding sixty (60) calendar days, Producer will furnish to the Health Plan written reports showing the Producer's gross received from the sale, lease, license and distribution (whether by Producer or a distributor of such motion picture) in the Cassette market. Such reports shall be furnished quarterly for each fiscal or calendar quarter of the Producer. Concurrently with the furnishing of each such report, the Producer will make the payments shown to be due by such report. All payments shall be made by check payable to the order of and delivered to the Health Plan. Each such quarterly statement shall designate the title of the motion picture involved. On request, the Producer shall make available to the Health Plan all accounting statements delivered by a distributor to the Producer, but only insofar as such statements relate to the Producer's Gross. The Health Plan shall have the right, at reasonable times, to examine the books and records of Producer insofar as they relate to the Producer's Gross. Producer shall not be required to furnish any quarterly statement hereunder with respect to any motion picture prior to Producer's receipt of any Producer's gross with respect to the motion picture, or for any quarterly period during which no Producer's Gross from the motion picture is received by the Producer.

If Producer shall fail to make any payment provided for in this Article when and as the same becomes due and payable, it shall bear interest at the rate of one percent (1%) per month on the unpaid balance thereof commencing to accrue ten (10) business days after notice in writing to Producer from the Health Plan of such delinquency.

l. If the Producer shall sell, assign, transfer or otherwise dispose of the distribution rights to such motion picture in the Cassette market, or shall license the distribution rights to the motion picture in such market, Producer may obtain from the buyer, licensee or distributor a separate agreement, made expressly for the benefit of the Plans, requiring such buyer, licensee or distributor to comply with the provisions of this Article XXVII. Such agreement shall be in substantially the following form:

"The undersigned, \_\_\_\_\_ (insert name of buyer, licensee or distributor) herein for convenience referred to as the 'Buyer,' hereby agrees with \_\_\_\_\_ (insert name of Producer) that all motion pictures covered by this Agreement are subject to the provisions of Article XXVI of the HBO Entertainment Production Agreement with the IATSE "the OP Agreement") relating to payments to the Motion Picture Industry Health, Pension and Individual Account Plans ("the Plans") on release of a motion picture to the Cassette market and the said Buyer hereby agrees, expressly for the benefit of the Plans to abide by and perform the provisions of said OP Agreement and make said payments as required thereby. It is expressly understood and agreed that the rights of the Buyer to exhibit or license the

exhibition of such motion picture in said Cassette market shall be subject to and conditioned upon the payment to the Plans, as provided in Article XXVI of the OP Agreement, and it is agreed that said Plans shall be entitled to injunctive relief and damages against Buyer if such payments are not made.

"The undersigned agrees to keep or have access to complete records showing the income derived from the distribution of such motion picture in such Cassette market within the entire territory for which Buyer is granted such rights and the Health Plan (acting on behalf of the Plans) shall have the right at all reasonable times to inspect such records. The undersigned shall give the Plans prompt written notice of the date on which each motion picture covered hereby is first released in the Cassette market. An inadvertent failure to comply with said requirement of notice shall not constitute a default by the undersigned hereunder, provided such default is cured promptly after notice thereof from the Plans."

Producer agrees to give notice to the Plans within thirty (30) days of each such sale, transfer or license of the distribution rights to such motion picture for the Cassette market, with the name and address of the Buyer, assignee or distributor, and to deliver to the Plans an executed copy of each assumption agreement entered into by the Producer. An inadvertent failure on the part of the Producer to comply with any of the provisions of this subparagraph (1) shall in no event constitute a default by Producer hereunder or a breach of this Agreement, provided that such failure is cured promptly after notice thereof from the Plans.

Upon delivery of such assumption agreement, and on the condition that the Health Plan approves in writing the financial responsibility of the Buyer, Producer, or any subsequent owner obtaining the execution of such an assumption agreement, shall not be further liable to the Plans for the keeping of any such records or the payment required hereunder insofar as they relate to the exhibition of the motion picture in the Cassette market, and the Plans agree to look exclusively to the party last executing such an assumption agreement for the keeping of such records, payment and compliance with credit obligations.

m. With respect to such motion picture, Producer agrees either to:

(1) include in any chattel mortgage, pledge or other lien or security agreement covering the motion picture a provision, made expressly for the benefit of the Plans, to the effect that the chattel mortgagee, pledgee, lien or security holder agrees that if such mortgage, pledge, lien or security agreement is foreclosed, and such mortgagee, pledgee, lien or security holder hereby obtains title to the motion picture and subsequently exhibits the motion picture in the Cassette market, then in such event, after such mortgagee, pledgee, lien or security holder has recouped its loan so secured, plus interest and all costs and expenses incident to foreclosure, such mortgagee, pledgee, lien or security holder will be bound by the provisions of this Article XXVII with respect to payments to the Plans thereafter becoming due and payable thereunder; provided, however, that nothing herein contained shall prevent such mortgagee, pledgee, lien or security

holder who has acquired title to the photoplay from thereafter making a sale of the motion picture to a third party free and clear of any limitations or obligations whatsoever. Except as otherwise provided in this subsection (m), the rights of the Plans hereunder shall be subordinate to the rights of such mortgagee, pledgee, lien or security holder; or

(2) in the alternative, be bound by the provisions of this Article XXVII with respect to payments to the Plans, if any, due after such foreclosure shall have been made. In the event Producer elects this alternative, the provisions of subsection (1) above shall be inapplicable, and if the provisions referred to in subsection (1) above are not included in any such chattel mortgage, pledge, lien or security agreement, Producer shall be deemed to have elected the alternative provided for in this subsection (2).

In the event of a foreclosure referred to in subsection (1) above, should the Producer distribute the motion picture for such mortgagee, pledgee, lien or security holder, Producer shall be bound during the period of such distribution by the provisions of this Article XXVII with respect to payments due hereunder, to the same extent as the mortgagee, pledgee, lien or security holder under subsection (1) above. Any such payments made by the Producer as the distributor shall be credited against any obligation of the mortgagee, pledgee, lien or security holder that may be due or become due to the Plans under subsection (1) above; it being understood that the Plans shall be entitled to such payments but once.

The foregoing provisions of this subparagraph (m) shall not apply to any motion picture subject to any security instrument in existence on the effective date of this Agreement.

n. If, after the effective date of this Agreement, the Producer enters into a contract with a so-called "independent producer" for the production and financing of a theatrical motion picture and the distribution thereof by the Producer (such contract being hereinafter referred to as an "independent contract"), Producer will include in such independent contract an agreement on the part of the independent producer expressly for the benefit of the Plans that the independent producer will pay, in the manner herein provided, the amounts, if any, required to be paid under the provisions of this Article XXVII with respect to such motion picture. If such agreement on the part of the independent producer be not included in any independent contract prior to the exhibition of the motion picture in the Cassette market, the Producer shall be liable and responsible for the payments, if any, required to be made under the provisions of this Article XXVII with respect to such motion picture. If such agreement on the part of the independent producer is included in the independent contract prior to exhibition of the motion picture in the Supplemental Markets, then the Producer shall not be liable or responsible in any manner or to any extent with respect to the motion picture under the provisions of this Article XXVII. The Producer will notify the Health Plan of any and all such independent contracts entered into by the Producer.

o. Notwithstanding any provision in subparagraph (c) above to the contrary, the following shall govern the computation and remittance of the "percentage payment" as that term is defined in subparagraph (c) above:

(1) Definitions. For purposes of this subparagraph (o) and for no other purpose, the following terms shall have the meanings set forth below:

(i) "Production" or "produce" shall include both production and pre-production functions, but not post-production or distribution functions.

(ii) "Prorate" or "proration" shall mean the computation of the percentage payment by multiplying six percent (6%) of "Producer's gross" for sales of Cassettes in excess of the first one hundred thousand (100,000) units by a fraction whose numerator consists of the total below-the-line labor cost of individuals subject to Article X of this Agreement<sup>5</sup> or hired from the jurisdiction of the union locals referred to in subparagraph q, below working on the picture (whether in production or post-production but excluding distribution -- distribution, for the purposes of this Article, shall include all laboratory work other than that performed by employees charged directly to a picture) and whose denominator consists of the total below-the-line labor cost of all individuals working on the picture in job categories referred to either in this Agreement or in the other collective bargaining agreements between the Producer and the West Coast Studio Locals or between the AMPTP-represented Majors and the unions referred to in subparagraph q below (whether in production or post-production but excluding distribution -- distribution, for the purposes of this Article, shall include all laboratory work other than that performed by employees charged directly to a picture).

(iii) "Individuals subject to Article XI of this Agreement" and "employees employed by Producer under Article XI of this Agreement"<sup>6</sup> include all persons working on the motion picture under the terms of Article XI of this Agreement or hired from the jurisdiction of union locals referred to in subparagraph q below who are hired to perform services in Los Angeles or hired in Los Angeles to perform services at a distant location whether hired by a Producer itself or employed indirectly by a Producer through loan-outs, payroll companies or comparable employing agents; provided, however, that individuals not specifically charged to the motion picture or who are included in general overhead and individuals such as projectionists, drivers and publicists engaged primarily in off-location services during the production of the motion picture are not included in the terms "made with two or more individuals subject to Article XI of this Agreement" or "Los Angeles production crew," as those terms are used in

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<sup>5</sup> Individuals employed under the terms of the Local #600 Amendment Agreement or the Local #871 Amendment Agreement shall be considered "individuals subject to Article X of this Agreement" and "employees employed by Producer under this Agreement" for purposes of subparagraph (o) only and for no other purpose. Accordingly, when Producer is entitled to prorate hereunder, the salaries of all individuals employed under the terms of the Local #600 Amendment Agreement or the Local #871 Amendment Agreement shall be included in both the numerator and the denominator of the fraction referred to in subparagraphs (o)(1)(ii) of this Article XXVII.

<sup>6</sup> Individuals employed under the terms of the Local #600 Amendment Agreement or the Local #871 Amendment Agreement shall be considered "individuals subject to Article XI of this Agreement" and "employees employed by Producer under Article XI of this Agreement" for purposes of subparagraph (o) of this Article XXVII only and for no other purpose. Accordingly, when Producer is entitled to prorate hereunder, the salaries of all individuals employed under the terms of the Local #600 Amendment Agreement or the Local #871 Amendment Agreement shall be included in both the numerator and the denominator of the fraction referred to in subparagraphs (o)(1)(ii) of this Article XXVII.

subparagraph (o)(3) below and are not included in either the numerator or denominator of the proration fraction described above.

(iv) "Foreign" means any theatrical motion picture for which twenty percent (20%) or more of the shooting days of principal photography takes place in a country other than the United States, its territories or Canada.

(v) "Domestic" means any theatrical motion picture which is not foreign.

(vi) "Los Angeles production crew," for purposes of determining whether percentage payments on domestic pictures may be prorated, shall mean persons hired from the jurisdiction of the IATSE West Coast Studio Locals\* or hired from the jurisdiction of the union locals referred to in subparagraph q. below, employed by the Producer in production.

(vii) "Entire production crew," as such term is used herein, shall mean all individuals in job categories referred to either in this Agreement or in the other collective bargaining agreements between Producer and the West Coast Studio Locals or between Producer and the unions referred to in subparagraph q. below employed by the Producer on the production of the motion picture in question.

(viii) "Other collective bargaining agreements between Producer and the West Coast Studio Locals" means only those Local Agreements subject to the IATSE Basic Agreement.

(2) Foreign Pictures. Percentage payments shall be made on a prorated basis for any foreign picture made with two or more individuals subject to the Basic Agreement.

(3) Domestic Pictures.

(i) If two or more individuals subject to Article XI of this Agreement are employed on a domestic picture, it will be subject to liability for percentage payments to the extent hereinafter provided.

(ii) Except as provided in subparagraph (o)(3)(iii) below:  
(A) percentage payments on domestic pictures distributed in the Cassette market will be six (6%) of "Producer's gross" on sales of Cassettes in excess of one hundred thousand (100,000) units that term is defined in subparagraph (c)(3) of this Article XXVII.

(iii) (A) Percentage payments on a domestic picture shall be made on a prorated basis if a majority of the shooting days of principal photography on the motion picture occurred outside of the following states - Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah, Washington and Wyoming. In the event

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\* Individuals employed under the terms of the Local #600 Amendment Agreement or the Local #871 Amendment Agreement shall be considered part of the "Los Angeles production crew" for purposes of this subparagraph (o) only and not for any other purpose.

that the IATSE determines that the proration formula set forth in this subsection (A) adversely affects Cassette market revenues, it shall have the right to terminate same, in which case proration on domestic pictures shall be governed by the provisions of subsection (B) below.

(B) Percentage payments on domestic pictures not covered by subsection (A) above or which commence principal photography more than one hundred twenty (120) days after the IATSE terminates the provisions of subparagraph (A) above shall be made on a prorated basis if all of the following conditions are satisfied:

(1) The Los Angeles production crew, as defined above, consists of twenty-nine (29) or fewer individuals (no more than twenty-two (22) of whom may be hired from the jurisdiction of the IATSE West Coast Studio Locals), and the salaries paid to those twenty-nine (29) or fewer individuals constitute less than fifty percent (50%) of the salaries of the entire production crew. In determining whether twenty-nine (29) or fewer individuals are employed on the picture, the following shall be excluded: make-up artists, hairdressers and costumers who are specifically required to be furnished by the Producer in accordance with the personal service contract of an actor and those individuals engaged in post-production or distribution functions, including, but not limited to, editing and looping regardless of where or when those functions are performed; and

(2) A majority of the shooting days of principal photography on the motion picture occurred outside of the following states -Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah, Washington and Wyoming.

(iv) As to any domestic picture on which the Producer intends to make percentage payments on a prorated basis, an Application to Prorate shall be delivered by the Producer to the Administrator of the Pension and Health Plans on or before the date that the first percentage payment is due to the Plans from Producer. Said Application shall contain the following information: If the right to prorate is based upon the provisions of subparagraph (o)(3)(iii)(A) above, the aggregate salaries paid to the Los Angeles production crew and the aggregate salaries paid to the entire production crew; the number of shooting days of principal photography occurring in the states listed in subparagraph (o)(3)(iii)(A) above; the total other shooting days and the states in which said other shooting days occurred. If the right to prorate is based upon the provisions of subparagraph (o)(3)(iii)(B) above, the number of individuals on the Los Angeles production crew; the number of such individuals who were hired from the jurisdiction of the IATSE West Coast Studio Locals; the number and job classifications of those individuals excluded pursuant to the provisions of subparagraph (c)(3)(iii)(B)(1) above; the aggregate salaries paid to the Los Angeles production crew; the aggregate salaries paid to the entire production crew; the number of shooting days of principal photography occurring in the states listed in subparagraph (o)(3)(iii)(B)(2) above; the total other shooting days and the states in which said other shooting days occurred. If an Application to Prorate is submitted later than the dates specified above, it will nonetheless be deemed granted if the identified picture meets said criteria; provided, however, that, if he deems it necessary, the Administrator of the Pension and Health Plans may require a Producer submitting a late Application to Prorate to allow a special

audit of the percentage payments due and the Health Plan shall be reimbursed by the Producer for all reasonable fees and expenses incurred by the Health Plan in performing said audit.

p. (1) Producer will furnish to the Health Plan written reports showing the Producer's gross received from the sale, lease, license and distribution (whether by Producer or a distributor) in the Cassette market of each motion picture subject to the provisions of this Article. In the written reports filed with the Health Plan, the Producer shall indicate whether it is prorating on each picture being reported and, if so, what proration percentage is being applied and the basis for the Producer's right to prorate -- i.e., whether proration is being applied pursuant to subparagraph (o)(2) or pursuant to subparagraph (o)(3)(iii)(A) or pursuant to subparagraph (o)(3)(iii)(B), above. Such reports shall be furnished quarterly during each fiscal or calendar quarter of the Producer. Concurrently with the furnishing of each such report, the Producer will make the payments shown to be due by such report. All required payments shall be made by check payable to the order of and delivered to the Health Plan. Each such quarterly statement shall designate the title of the motion picture involved. On request, the Producer shall make available to the Health Plan all accounting statements delivered by a distributor to the Producer, but only insofar as such statements relate to the Producer's gross. The Health Plan shall have the right, at reasonable times, to examine the books and records of Producer insofar as they relate to the Producer's gross and --as to any motion picture for which Producer assumes as Buyer the obligation to make percentage payments pursuant to subparagraph (b)(11) above -- the documents reflecting or effectuating the purchase; provided that, with respect to these latter documents, the Producer may require the persons examining them to execute reasonable agreements to respect their confidentiality. Producer shall not be required to furnish any quarterly statement hereunder with respect to the motion picture prior to Producer's receipt of any Producer's gross with respect to the motion picture, or for any annual period during which no Producer's gross from the motion picture is received by the Producer.

(2) For each motion picture produced by Producer on which the Producer plans to prorate (whether proration is being applied pursuant to subparagraph (o)(2) or pursuant to subparagraph (o)(3) above) for three (3) years after either the date of the first annual report showing a percentage payment on such motion picture or the receipt by the Health Plan of the Producer's written request for audit of the percentage payments due, Producer shall maintain and make available to the Health Plan and its auditors the following information: the names of the employees on the Los Angeles production crew; the names of the employees on the entire production crew; the names of all individuals subject to Article XI of this Agreement working on the motion picture (whether in pre-production, production or post-production functions); the names of all individuals who were not subject to Article XI of this Agreement but who worked on the motion picture in job categories referred to either in this Agreement or in the other collective bargaining agreements between the Producer and the West Coast Studio Locals or between the AMPTP-represented Majors and the unions referred to in subparagraph q. below; the total below-the-line labor costs of individuals subject to Article XI of this Agreement (whether in pre-production, production or post-production functions); and, the total below-the-line labor costs of all individuals working on the motion picture in job categories referred to either in this Agreement or in the other collective bargaining agreements between Producer and the West Coast Studio Locals or between the AMPTP-represented Majors and the unions referred to in subparagraph q below.

(3) As to any motion picture subject to subparagraph (c) above for which Producer assumes the obligation to make percentage payments pursuant to subparagraph 1. above, if Producer wishes to prorate its percentage payments for such motion picture, it shall obtain the records provided for in subparagraph (p)(2) above from the producer of such motion picture,

q. The provisions of this Article XXVII were negotiated by the AMPTP-represented Majors by the following unions for the benefit of the Plans:

International Alliance of Theatrical Stage Employees and Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada; Studio Transportation Drivers, Local 399 of the International Brotherhood of Teamsters; Local 40 of the International Brotherhood of Electrical Workers; Local 724 of the International Hod Carriers, Building and Common Laborers Union; Local 755 of the Operative Plasterers and Cement Masons International Association of United States and Canada; and United Association of Journeymen and Apprentices of the Plumbing and Piping Industry of United States and Canada, Local 78.

Any reference in any other collective bargaining agreement (whether with one of the above unions or any other union or guild) to a percentage payment to the Plans with respect to the exhibition of motion pictures in the Cassette market is and shall be deemed to be a reference to the percentage payment as set forth in this Article XXVII, which amount is the only amount, in the aggregate, which the Producer and all such unions have agreed upon for the benefit of the Plans with respect to the exhibition of motion pictures produced under this Agreement in the Cassette market.

The compliance by Producer with the conditions set forth in this Article XXVII likewise constitutes compliance as to all the unions.

r. Notwithstanding anything herein to the contrary, the parties hereby confirm the following understanding and practices of the Producers with respect to the Cassette market provisions:

(1) Article XXVII does not require a percentage payment to be made with respect to motion pictures on which the only employees employed under this Agreement performed post-production (including editorial) work; and

(2) Article XXVII does not require percentage payments to be made with respect to motion pictures which are produced by a producer which is not signatory to this Agreement (and the Basic Crafts Agreements).

(3) The Cassette market provisions apply only to motion pictures "produced by

Producer with employees employed under Article XI of this Agreement."7 The parties have agreed that the quoted language is satisfied only if two (2) or more employees are employed on the production under either Article XI of this Agreement or the Basic Crafts Agreements. This requirement is not satisfied if there is only one employee covered under Article XI of this Agreement and one employee covered under the Basic Crafts Agreements.

(4) (i) The "Domestic Pictures" proration provision of the Cassette market clause provides that certain domestic pictures are eligible for proration of Cassette market payments if, among other requirements, the Los Angeles production crew consists of twenty-nine (29) or fewer individuals (no more than twenty-two (22) of whom may be hired from the jurisdiction of the IATSE West Coast Studio Locals). In determining whether either the "29 or fewer" or "22 or fewer" requirement has been met, employees who replace other employees are not counted. For example, suppose there are seven (7) persons on the crew who fall within the Los Angeles production crew definition, including the Director of Photography. Suppose further that the Director of Photography is replaced with another person hired from the jurisdiction of Local #600. The replacement Director of Photography would not be counted in figuring whether the "29 or fewer" or "22 or fewer" standards were met.

However, the salary paid to any replacement employee under these circumstances shall be included in both the numerator and denominator.

(ii) Similarly, individuals hired from either the jurisdiction of the IATSE West Coast Studio Local Unions or from the jurisdiction of the Basic Crafts Unions who are replaced with another individual employed under the same West Coast Studio Local Agreement or Basic Crafts Agreement, respectively, shall not be counted in determining whether a motion picture has been produced by a Producer with "employees" employed under this Agreement.

For example, if the only individual hired from the jurisdiction of the West Coast Studio Local Unions and the Basic Crafts Unions on a particular production is an Art Director, and the Art Director is replaced on that production by another Art Director hired from the jurisdiction of Local #800, there will still be only one (1) employee hired from the jurisdiction of the IATSE on the production, with the result that the Cassette market clause is not applicable to that production.

#### ARTICLE XXVIII - WAGE RATES

The applicable minimum wage rates for positions covered by the Agreement are set forth on the Wage Rate Appendices attached. There are no guarantees of employment beyond one day for daily employees and one week for weekly employees. Wage rates for weekly employees may be prorated for the first and last weeks of employment and in connection with a production hiatus.

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7 Employees employed under the Local #600 Amendment Agreement or the Local #871 Amendment Agreement shall not be considered "employees employed under Article X of this Agreement" for purposes of subparagraph (o)(3) of this Article XXVI.

The regular workweek shall be defined as midnight Saturday to midnight Saturday with the exception of when the Employer notifies the Union of a change in the workweek on any particular production. The regular pay day will be the Thursday following the previous workweek, with the exception of when the Employer notifies the Union of a change of the pay day on any particular production.

ARTICLE XXIX - TERM AND EFFECTIVE DATE

This Agreement shall be generally effective as of January 1, 2008 and shall remain in full force and effect through December 31, 2010.

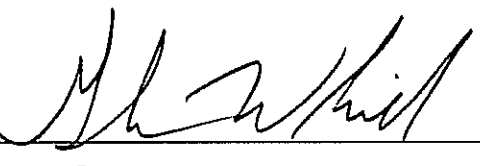
THE INTERNATIONAL ALLIANCE  
OF THEATRICAL STAGE EMPLOYES,  
MOVING PICTURE TECHNICIANS,  
ARTISTS AND ALLIED CRAFTS OF  
THE UNITED STATES AND CANADA,  
AFL-CIO, CLC

BY 

ITS President

DATED 1-15-08

HBO ENTERTAINMENT

BY 

ITS EVP

DATED 1-25-08

SIDE LETTER NO. 1

January 1, 2008

Mr. Thomas C. Short, President  
International Alliance of Theatrical  
Stage Employees, Moving Picture  
Technicians, Artists and Allied  
Crafts of the United States and  
Canada, AFL-CIO, CLC  
1430 Broadway, 20<sup>th</sup> Floor  
New York, NY 10018

Re: HBO Entertainment

Dear President Short:

The following will serve to confirm our understanding as to the applicability of our agreement of January 1, 2008 ("HBO Entertainment Production Agreement") with respect to the following pre-existing television programs.


This will further serve to confirm our agreement that if during the term of the HBO Entertainment Production Agreement the Alliance of Motion Picture and Television Producers, Inc. agree with the IATSE to a "budget break" with respect to the minimum wage rates reflected in the Long Form Television Side Letter to the current Producer-IATSE Basic Agreement referenced in Appendix "A" of the HBO Entertainment Production Agreement, or successor Side Letter, such "budget break" shall become applicable to the HBO Entertainment Production Agreement thirty (30) days following notice thereof by the IATSE but not earlier than otherwise applicable under such successor Side Letter.

Would you please acknowledge the foregoing understanding on behalf of the IATSE at the place provided below and return a copy of this letter to me.

Mr. Thomas C. Short, President  
Side Letter No. 1  
January 1, 2008  
Page 2

Very truly yours,

HBO ENTERTAINMENT

By: \_\_\_\_\_

Acknowledged and agreed on  
behalf of the I.A.T.S.E.

By: \_\_\_\_\_

SIDE LETTER NO. 2

January 1, 2008

Mr. Thomas C. Short, President  
International Alliance of Theatrical  
Stage Employees, Moving Picture  
Technicians, Artists and Allied  
Crafts of the United States and  
Canada, AFL-CIO, CLC  
1430 Broadway, 20th Floor  
New York, NY 10018

Re: HBO Entertainment

Dear President Short:

The following is intended to memorialize the further understandings reached at the bargaining table concerning the Agreement effective January 1, 2008. HBO Entertainment shall continue its existing established staffing practices except as hereafter provided.

The Employer may request that a Director of Photography be permitted to also function as a Camera Operator on productions where special conditions or special circumstances exist. Such request shall be made to the IATSE with notice to Local 600. No such request will be unreasonably denied.

The Employer may request that the sound crew utilized to record production dialogue consist only of the mixer and microphone boom operator, where special conditions or special circumstances exist. Such request shall be made to the IATSE with notice to the affected Local Union. No such request will be unreasonably denied.

For the purpose of determining eligibility for holiday pay under Article XXI of our Agreement, weekly employees shall be paid for an unworked holiday falling within their regular work week. Daily employees will be paid for unworked holidays, provided the daily employee has worked for all the scheduled workdays in his/her department for three weeks prior to the holiday.

Would you please acknowledge the foregoing understanding on behalf of the IATSE at the place provided below and return a copy of this letter to me.

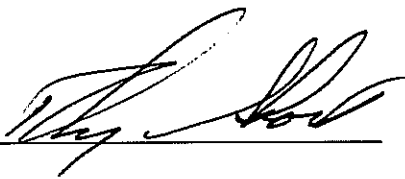
Mr. Thomas C. Short, President  
Side Letter No. 2  
January 1, 2008  
Page 2

Very truly yours,

HBO ENTERTAINMENT

By:  \_\_\_\_\_

Acknowledged and agreed on  
behalf of the I.A.T.S.E.

By:  \_\_\_\_\_

SIDE LETTER NO. 3

January 1, 2008

Mr. Thomas C. Short, President  
International Alliance of Theatrical  
Stage Employees, Moving Picture  
Technicians, Artists and Allied  
Crafts of the United States and  
Canada, AFL-CIO, CLC  
1430 Broadway, 20th Floor  
New York, NY 10018

Re: HBO Entertainment

Dear President Short:

The following is intended to memorialize the further understandings reached with respect to the Agreement effective January 1, 2008.

The proviso to Article XVI(b) added as a result of the Agreement shall be interpreted and implemented as follows:

- (a) The term "established episodic series" shall mean one which has completed its first production cycle.
- (b) With respect to the established episodic series, "The Sopranos," the provision for double time after twelve (12) work hours shall become effective for the production cycle commencing in the fall of 2002; and
- (c) For employees on distant location on a portal-to-portal basis, the provision for double-time after fourteen (14) elapsed hours remains applicable.

Would you please acknowledge the foregoing understanding on behalf of the IATSE at the place provided below and return a copy of this letter to me.

Mr. Thomas C. Short, President  
Side Letter No. 3  
January 1, 2008  
Page 2

Very truly yours,

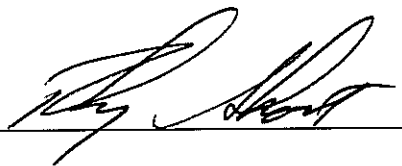
HBO ENTERTAINMENT

By: \_\_\_\_\_



Acknowledged and agreed on  
behalf of the I.A.T.S.E.

By: \_\_\_\_\_



SIDE LETTER NO. 4

January 1, 2008

Mr. Thomas C. Short, President  
International Alliance of Theatrical  
Stage Employees, Moving Picture  
Technicians, Artists and Allied  
Crafts of the United States and  
Canada, AFL-CIO, CLC  
1430 Broadway, 20th Floor  
New York, NY 10018

Re: HBO Entertainment

Dear President Short:

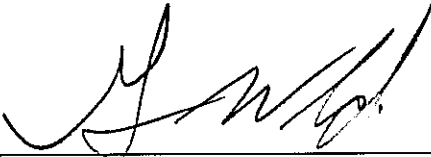
The following is intended to memorialize the further understandings reached with respect to the Agreement effective January 1, 2008.

HBO Entertainment acknowledges that the installing, connecting, and striking of temporary electric power sources emanating from a location base camp is work within the jurisdiction of the IATSE, provided that it is understood and agreed that the foregoing does not require additional staffing.

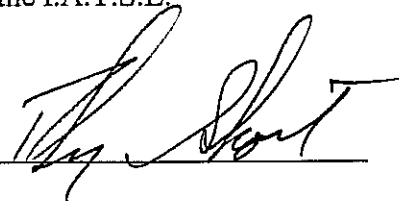
Would you please acknowledge the foregoing understanding on behalf of the IATSE at the place provided below and return a copy of this letter to me.

Very truly yours,

HBO ENTERTAINMENT

By:   
\_\_\_\_\_

Acknowledged and agreed on  
behalf of the I.A.T.S.E.

By:   
\_\_\_\_\_

SIDELETTER NO. 5

January 1, 2008

Mr. Thomas C. Short, President  
International Alliance of Theatrical  
Stage Employees, Moving Picture  
Technicians, Artists and Allied  
Crafts of the United States and  
Canada, AFL-CIO, CLC  
1430 Broadway, 20th Floor  
New York, NY 10018

Re: HBO Entertainment

Dear President Short:

This letter will confirm the matters that were agreed upon in recent negotiations between HBO Entertainment ("HBO Entertainment") and the I.A.T.S.E., and to be incorporated as part of the 2008 I.A.T.S.E.-HBO Entertainment Agreement.

1. The classification of "Aerial Balloon Operator" shall be included in all the classification schedules set forth in the 2008 I.A.T.S.E.-HBO Entertainment Agreement with wage rates "as negotiated." It is understood that HBO Entertainment has the right to continue the practice of subcontracting such work.


2. HBO Entertainment on digital production shall have the right to apply the classifications and staffing set forth in the Digital Supplemental Agreement to the Producer-I.A.T.S.E. 2006 Basic Agreement and its successor agreements; wage rates shall be as set forth in the 2008 I.A.T.S.E. - HBO Entertainment Agreement, and for classifications where no wage rate is provided in that Agreement such rates shall be negotiated by HBO Entertainment and the I.A.T.S.E.

Very truly yours,

HBO ENTERTAINMENT

By: 

Acknowledged and agreed on  
behalf of the I.A.T.S.E.

By: 

SIDE LETTER NO. 6

January 1, 2008

Mr. Thomas C. Short, President  
International Alliance of Theatrical  
Stage Employees, Moving Picture  
Technicians, Artists and Allied  
Crafts of the United States and  
Canada, AFL-CIO, CLC  
1430 Broadway, 20<sup>th</sup> Floor  
New York, NY 10018

Re: HBO Entertainment

Dear President Short:

The following will serve to confirm our understanding as to the application of Article IV – Union Security of the HBO Entertainment Production Agreement effective January 1, 2008 (“Agreement”) with respect to the covered employees represented by I.A.T.S.E. Local 871.

1. All employees covered by the Agreement working in positions within the jurisdiction of Local 871 shall pay initiation fees to Local 871.
2. The initiation fees shall be paid as follows:
  - a. Within thirty (30) days of hire or within thirty (30) days from the effective date of the Agreement, whichever is the later date, an employee shall apply for membership into I.A.T.S.E. Local 871;
  - b. Upon application for membership the employee shall pay one-third (1/3) of the Local’s initiation fee;
  - c. The balance of the initiation fee shall be fully paid within nine (9) months from the date the employee is required to comply with the terms of Article III of the Agreement;

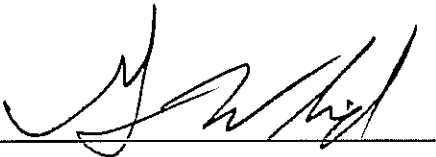
Mr. Thomas C. Short, President  
Side Letter No. 6  
January 1, 2008  
Page 2

- d. The Employer agrees that compliance with the terms of Article IV and this Side Letter No. 7 are express conditions of continued employment of any employee in the covered bargaining unit.

Would you please acknowledge the foregoing understanding on behalf of the IATSE at the place provided below and return a copy of this letter to me.

Very truly yours,

HBO ENTERTAINMENT

By: 

Acknowledged and agreed on  
Behalf of the I.A.T.S.E.

By: 

SIDELETTER NO. 7

January 1, 2008

Mr. Thomas C. Short, President  
International Alliance of Theatrical  
Stage Employees, Moving Picture  
Technicians, Artists and Allied  
Crafts of the United States and  
Canada, AFL-CIO, CLC  
1430 Broadway, 20th Floor  
New York, NY 10018

Re: HBO Entertainment

Dear President Short:

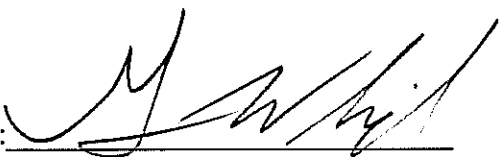
The following is intended to memorialize the further understandings reached with respect to the Agreement effective January 1, 2008.

All productions with production offices in Baltimore shall pay non-production city rates, and all productions with production offices in Washington, D.C. shall pay production city rates.

Would you please acknowledge the foregoing understanding on behalf of the IATSE at the place provided below and return a copy of this letter to me.

Very truly yours,

HBO ENTERTAINMENT

By: 

Acknowledged and agreed on  
behalf of the I.A.T.S.E.

By: 

SIDE LETTER NO. 8

January 1, 2008

Mr. Thomas C. Short, President  
International Alliance of Theatrical  
Stage Employes, Moving Picture  
Technicians, Artists and Allied  
Crafts of the United States and  
Canada, AFL-CIO, CLC  
1430 Broadway, 20<sup>th</sup> Floor  
New York, NY 10018

Re: HBO Entertainment

Dear President Short:

The following is intended to memorialize the understandings reached at the bargaining table concerning the use of "French Hours" on production.

The IATSE agrees that the crew may work "French Hours" under the following conditions:

A majority vote held with all IATSE represented crew. Vote to be monitored by an appointed Shop Steward.

The shooting day will be 11.0 hours defined as starting at general crew call and ending at camera wrap. Hot food and assorted beverages will be made available to the crew beginning approximately four hours after general crew call. Pre-crew call employees will be provided a nondeductible meal.

In addition, IATSE represented crew would be compensated at two (2) times their basic hourly rate for all time worked after eleven (11) consecutive hours.

Further, in the event a crew member does not have an opportunity to eat a meal within ten (10) hours, he or she will be entitled to meal penalties calculated from their 6<sup>th</sup> hour of work to the wrap of camera. The calculation of these penalties will be as currently set forth in the various bargaining agreements.

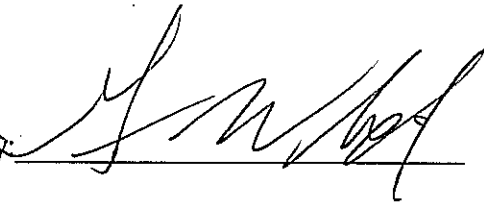
All this is contingent upon a secret vote of the IATSE crew, with the majority in favor of "French Hours." The Producer and the Shop Steward shall verify the count. Once the vote has been taken and it is favorable, the Producer shall notify the IASTE West Coast office in writing of the vote tally.


Mr. Thomas C. short, President  
Side Letter No. 8  
January 1, 2008  
Page 2

Would you please acknowledge the foregoing understanding on behalf of the IATSE at the place provided below and return a copy of this letter to me.

Very truly yours,  
HBO ENTERTAINMENT

Acknowledged and Agreed on  
Behalf of the I.A.T.S.E.

By: 

By:   
Thomas C. Short, President  
I.A.T.S.E.

APPENDIX "A"

MINIMUM WAGE RATE SCHEDULE

PRODUCTION CITIES

- (a) For persons hired in the Production Cities listed in (c) to perform services in said cities or hired in said cities to perform services outside of said cities, and for persons hired outside of said cities to perform services in the following Production Cities, the minimum wage rates during the term of this Agreement shall be the then current minimum wage rates applicable to all pre-production and production job classifications covered by the Long Form Television side letter to the BA.<sup>1</sup>
  
- (b) The following minimum wage rates shall be applicable to employees in the following classifications within the scope of(a) above.

**Five Day Studio On-Call Rate**

- 
- <sup>1</sup>
- (a) Dolly Grips hired on a weekly basis may be paid the same rate as a Best-Boy Grip employed on a weekly basis.
  
  - (b) Swing Gang members hired on a weekly basis shall be paid the same rate as a Craft Service person employed on a weekly basis.
  
  - (c) Key Costumer and Costumer shall receive the following wages, effective:
    - Key Costumer
      - Jan. 1, 2008 – Weekly \$1,008.22; Weekly Hourly \$25.21; Daily \$233.66; Daily Hourly \$29.21
      - Jan. 1, 2009 – Weekly \$1,038.47; Weekly Hourly \$25.97; Daily \$240.67; Daily Hourly \$30.08
      - Jan. 1, 2010 – Weekly \$1,069.62; Weekly Hourly \$26.75; Daily \$247.89; Daily Hourly \$30.98
    - Costumer
      - Jan. 1, 2008 – Weekly \$919.24; Weekly Hourly \$22.98; Daily \$213.06; Daily Hourly \$26.63
      - Jan. 1, 2009 – Weekly \$946.82; Weekly Hourly \$23.67; Daily \$219.45; Daily Hourly \$27.43
      - Jan. 1, 2010 – Weekly \$975.22; Weekly Hourly \$24.38; Daily \$226.04; Daily Hourly \$28.25

	Jan. 1, 2008 <u>3% Increase</u>	Jan. 1, 2009 <u>3% Increase</u>	Jan. 1, 2010 <u>3% Increase</u>
Production Accountant	\$2,233.66	\$2,300.67	\$2,369.69
Production Office Coordinator	\$1,340.85	\$1,381.08	\$1,422.51
Asst. Production Accountant	\$1,266.35	\$1,304.34	\$1,343.48
Asst. Production Office Coordinator	\$ 804.52	\$ 828.66	\$ 853.52
Art Dept. Coordinator	\$ 804.52	\$ 828.66	\$ 853.52
Asst. Art Dept. Coordinator (Hourly)	\$ 19.58	\$ 20.17	\$ 20.77
Marine Coordinator	As Negotiated	As Negotiated	As Negotiated
Boat Handler	As Negotiated	As Negotiated	As Negotiated
On-Set Picture Boats	As Negotiated	As Negotiated	As Negotiated

**Six Day Location On-Call Rate**

	Jan. 1, 2008 <u>3% Increase</u>	Jan. 1, 2009 <u>3% Increase</u>	Jan. 1, 2010 <u>3% Increase</u>
Production Accountant	\$2,903.75	\$2,990.86	\$3,080.58
Production Office Coordinator	\$1,741.91	\$1,794.16	\$1,847.99
Asst. Production Accountant	\$1,646.28	\$1,695.67	\$1,746.54
Asst. Production Office Coordinator	\$ 1,045.86	\$ 1,077.24	\$1,109.55
Art Dept. Coordinator	\$ 1,045.86	\$ 1,077.24	\$1,109.55
Asst. Art Dept. Coordinator (Hourly)	\$ 19.58	\$ 20.17	\$ 20.77
Marine Coordinator	As Negotiated	As Negotiated	As Negotiated
Boat Handler	As Negotiated	As Negotiated	As Negotiated
On-Set Picture Boats	As Negotiated	As Negotiated	As Negotiate

(c) The Production Cities covered by this Section 1 are Chicago, Illinois; Cleveland,

Ohio; Detroit, Michigan; Orlando, Florida; San Francisco, California; St. Louis, Missouri; and Washington, D.C.

2. LOS ANGELES

- (a) For persons hired by the Employer to perform covered services in the County of Los Angeles or hired by the Employer in the County of Los Angeles to perform services outside of the County of Los Angeles, the applicable minimum wage rates during the term of this Agreement shall be the then current minimum wage rates applicable to au pre-production and production job classifications covered by the Long Form Television side letter to the BA.<sup>2</sup>
- (b) The following minimum wage rates shall be applicable to employees in the following classifications within the scope of(a) above.

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<sup>2</sup>

- (a) Dolly Grips hired on a weekly basis may be paid the same rate as a Best-Boy Grip employed on a weekly basis.
- (b) Swing Gang members hired on a weekly basis shall be paid the same rate as a Craft Service person employed on a weekly basis.
- (c) Key Costumer and Costumer shall receive the following wages, effective:
  - Key Costumer
    - Jan. 1, 2008 – Weekly \$1,008.22; Weekly Hourly \$25.21; Daily \$233.66; Daily Hourly \$29.21
    - Jan. 1, 2009 – Weekly \$1,038.47; Weekly Hourly \$25.97; Daily \$240.67; Daily Hourly \$30.08
    - Jan. 1, 2010 – Weekly \$1,069.62; Weekly Hourly \$26.75; Daily \$247.89; Daily Hourly \$30.98
  - Costumer
    - Jan. 1, 2008 – Weekly \$919.24; Weekly Hourly \$22.98; Daily \$213.06; Daily Hourly \$26.63
    - Jan. 1, 2009 – Weekly \$946.82; Weekly Hourly \$23.67; Daily \$219.45; Daily Hourly \$27.43
    - Jan. 1, 2010 – Weekly \$975.22; Weekly Hourly \$24.38; Daily \$226.04; Daily Hourly \$28.25

**Five Day Studio On-Call Rate**

	<u>Jan. 1, 2008</u> 3% Increase	<u>Jan. 1, 2009</u> 3% Increase	<u>Jan. 1, 2010</u> 3% Increase
Production Accountant	\$2,233.66	\$2,300.67	\$2,369.69
Production Office Coordinator	\$1,340.85	\$1,381.08	\$1,422.51
Asst. Production Accountant	\$1,266.35	\$1,304.34	\$1,343.48
Asst. Production Office Coordinator	\$ 804.52	\$ 828.66	\$ 853.52
Art Dept. Coordinator	\$ 804.52	\$ 828.66	\$ 853.52
Asst. Art Dept. Coordinator (Hourly)	\$ 19.58	\$ 20.17	\$ 20.77
Marine Coordinator	As Negotiated	As Negotiated	As Negotiated
Boat Handler	As Negotiated	As Negotiated	As Negotiated
On-Set Picture Boats	As Negotiated	As Negotiated	As Negotiated

**Six Day Location On-Call Rate**

	<u>Jan. 1, 2008</u>	<u>Jan. 1, 2009</u>	<u>Jan. 1, 2010</u>
Production Accountant.	\$2,903.75	\$2,990.86	\$3,080.58
Production Office Coordinator	\$1,741.91	\$1,794.16	\$1,847.99
Asst: Production Accountant	\$1,646.28	\$1,695.67	\$1,746.54
Asst. Production Office Coordinator	\$ 1,045.86	\$ 1,077.24	\$1,109.55
Art Dept. Coordinator	\$ 1,045.86	\$ 1,077.24	\$1,109.55
Asst. Art Dept. Coordinator (Hourly)	\$ 19.58	\$ 20.17	\$ 20.77
Marine Coordinator	As Negotiated	As Negotiated	As Negotiated
Boat Handler	As Negotiated	As Negotiated	As Negotiated
On-Set Picture Boats	As Negotiated	As Negotiated	As Negotiated

- (c) The wage rate schedules (rates and overtime formula) of the Local 700 “majors” Agreement incorporated by the Basic Agreement, excluding Schedule C, shall be applicable to post-production employees within the scope of(a) above.

3. NEW YORK

- (a) For persons hired by the Employer in New York City to perform services in New York City or hired in New York City to perform services outside of New York City, and for persons hired outside of New York City to perform services in New York City, the minimum wage rates during the term of this Agreement shall be as follows:

<u>CLASSIFICATION</u> <sup>3</sup>	<u>Effective</u>		
	<u>Jan. 1, 2008</u>	<u>Jan. 1, 2009</u>	<u>Jan. 1, 2010</u>
Director of Photography	\$84.69 hr.	\$87.23 hr.	\$89.84 hr.
Camera Operator	\$52.23 hr.	\$53.80 hr.	\$55.41 hr.
1 <sup>st</sup> Camera Asst.	\$38.10 hr.	\$39.24 hr.	\$40.42 hr.
2 <sup>nd</sup> Camera Asst.	\$33.88 hr.	\$34.89 hr.	\$35.94 hr.
Still Photographer	\$42.34 hr.	\$43.61 hr.	\$44.92 hr.

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3

The listing of a classification is intended to be descriptive of work covered by this Agreement and is not a staffing requirement

<u>CLASSIFICATION</u> <sup>3</sup>	<u>Effective</u>		
	<u>Jan. 1, 2008</u>	<u>Jan. 1, 2009</u>	<u>Jan. 1, 2010</u>
Sound Mixer	\$45.68 hr.	\$47.05 hr.	\$48.46 hr.
Boom Operator	\$41.40 hr.	\$42.64 hr.	\$43.92 hr.
Sound Utility	\$31.84 hr.	\$32.79 hr.	\$33.78 hr.
Key Grip	\$34.61 hr.	\$35.65 hr.	\$36.72 hr.
2 <sup>nd</sup> Grip	\$31.84 hr.	\$32.79 hr.	\$33.78 hr.
Dolly Grip	\$31.84 hr.	\$32.79 hr.	\$33.78 hr.
Grip	\$29.08 hr.	\$29.95 hr.	\$30.85 hr.
Lighting Gaffer	\$34.61 hr.	\$35.65 hr.	\$36.72 hr.
2 <sup>nd</sup> Electrician	\$31.84 hr.	\$32.79 hr.	\$33.78 hr.
Electrician	\$29.08 hr.	\$29.95 hr.	\$30.85 hr.
Property Master	\$34.61 hr.	\$35.65 hr.	\$36.72 hr.
2 <sup>nd</sup> Prop	\$31.84 hr.	\$32.79 hr.	\$33.78 hr.
On Set Dresser	\$29.08 hr.	\$29.95 hr.	\$30.85 hr.
Wardrobe Supervisor	\$34.61 hr.	\$35.65 hr.	\$36.72 hr.
Wardrobe Assistant	\$29.08 hr.	\$29.95 hr.	\$30.85 hr.
Medic	\$34.61 hr.	\$35.65 hr.	\$36.72 hr.

<u>CLASSIFICATION</u> <sup>3</sup>	<u>Effective</u>		
	<u>Jan. 1, 2008</u>	<u>Jan. 1, 2009</u>	<u>Jan. 1, 2010</u>
Production Designer	Individual Negotiation — 60 hr. week		
Art Director (60-hr. weekly)	\$3,149.76	\$3,244.25	\$3,341.58
Assistant Art Director (8/40)	\$ 516.28	\$ 531.77	\$ 547.72
Costume Designer (60 hr. weekly)	\$2,616.21	\$2,694.70	\$2,775.54
Assistant Costume Designer (8/40)	\$ 312.64	\$ 322.01	\$ 331.68
Charge Scenic Artist (8/40)	\$ 437.91	\$ 451.05	\$ 464.58
Camera Setthe Artist (8/40)	\$ 437.91	\$ 451.05	\$ 464.58
Journey Setthe Artist (8/40)	\$ 357.07	\$ 367.78	\$ 378.82
Industrial/Shop Person (8/40)	\$ 255.88	\$ 263.56	\$ 271.47
Art Department Coordinator			
5 day studio, on call	\$804.53	\$828.67	\$ 853.53
6 day location, on call	\$1,045.86	\$1,077.24	\$1,109.55
Key Make Up Artist	\$ 41.53 hr.	\$ 42.78 hr.	\$ 44.06 hr.
Make Up Artist	\$ 37.36 hr.	\$ 38.48 hr.	\$ 39.63 hr.
Key Hair Stylist	\$ 41.53 hr.	\$ 42.78hr.	\$ 44.06 hr.
Hair Stylist	\$ 37.36 hr.	\$ 38.48 hr.	\$ 39.63 hr.
Script Supervisor	\$ 41.53 hr.	\$ 42.78 hr.	\$ 44.06 hr.
Set Decorator (on call)	\$2,488.14	\$2,562.78	\$2,639.67

<u>CLASSIFICATION</u> <sup>3</sup>	<u>Effective</u>		
	<u>Jan. 1, 2008</u>	<u>Jan. 1, 2009</u>	<u>Jan. 1, 2010</u>
Lead Set Dresser	\$ 31.84 hr.	\$ 32.79 hr.	\$ 33.78 hr.
Set Dresser	\$ 28.08 hr.	\$ 29.95 hr.	\$ 30.85 hr.
Construction Coordinator (on call)	\$2,491.53	\$2,566.27	\$2,643.26
Key Carpenter	\$ 36.00 hr.	\$ 37.08 hr.	\$ 38.19 hr.
Additional Carpenter	\$ 30.45 hr.	\$ 31.36 hr.	\$ 32.30 hr.
Lead Effects	\$ 37.36 hr.	\$ 38.48 hr.	\$ 39.63 hr.
Effects	\$ 34.61 hr.	\$ 35.65 hr.	\$ 36.72 hr.
Production Office Coordinator			
(5 day studio/on call)	\$1,522.47	\$1,568.15	\$1,615.19
(6 day location/on call)	\$1,741.91	\$1,794.16	\$1,847.99
Asst. Production Office Coordinator			
(5 day studio/on call)	\$ 899.77	\$ 926.76	\$ 954.56
(6 day location/on call)	\$1,045.86	\$1,077.24	\$1,109.55
Production Accountant			
(5 day studio/on call)	\$2,233.66	\$2,300.67	\$2,369.69
(6 day location/on call)	\$2,903.75	\$2,990.86	\$3,080.58

<u>CLASSIFICATION</u> <sup>3</sup>	<u>Jan. 1, 2008</u>	<u>Effective</u> <u>Jan. 1, 2009</u>	<u>Jan. 1, 2010</u>
Asst. Production Accountant			
(5 day studio/on call)	\$1,266.35	\$1,304.34	\$1,343.48
(6 day location/on call)	\$1,646.28	\$1,695.67	\$1,746.54
Picture Editor <sup>4</sup>	\$69.21 hr.	\$71.28 hr.	\$73.42 hr.
Music Editor <sup>4</sup>	\$41.53 hr.	\$42.78 hr.	\$44.06 hr.
SoundEditor <sup>4</sup>	\$41.53 hr.	\$42.78 hr.	\$44.06 hr.
Assistant Editor <sup>4</sup>	\$36.00 hr.	\$37.08 hr.	\$38.19 hr.
Apprentice <sup>4</sup>	\$26.30 hr.	\$27.08 hr.	\$27.90 hr.
Marine Coordinator	As Negotiated	As Negotiated	As Negotiated
Boat Handler	As Negotiated	As Negotiated	As Negotiated
On-Set Picture Boats	As Negotiated	As Negotiated	As Negotiated

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<sup>4</sup> Post-production employees are to be employed on a minimum five (5) day, forty (40) work hour basis.

APPENDIX "B"

MINIMUM WAGE RATE SCHEDULE

NON-PRODUCTION CITIES

For persons hired at all other locations to perform services outside of the Production Cities, the following minimum wage rates will be effective as of the dates indicated:

<u>CLASSIFICATION</u> <sup>1</sup>	<u>January 1, 2008</u> <u>3% Increase</u>		<u>January 1, 2009</u> <u>3% Increase</u>		<u>January 1, 2010</u> <u>3% Increase</u>	
	<u>Daily</u>	<u>Hourly</u>	<u>Daily</u>	<u>Hourly</u>	<u>Daily</u>	<u>Hourly</u>
2nd AC		\$22.39		\$23.06		\$23.76
Film Loader		\$21.56		\$22.20		\$22.87
Construction Coor.-On Call	\$393.60		\$405.41		\$417.57	
Construction Labor		\$21.56		\$22.20		\$22.87
Key Grip		\$28.65		\$29.51		\$30.40
Best Boy Grip		\$25.05		\$25.80		\$26.58
Company Grip		\$21.56		\$22.20		\$22.87
Dolly Grip		\$25.05		\$25.80		\$26.58
Crafts Service		\$21.56		\$22.20		\$22.87
Production Painter (Foreman)		\$30.80		\$31.72		\$32.67
Set Painter		\$25.80		\$26.58		\$27.37

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<sup>1</sup> The listing of a classification is intended to be descriptive of work covered by this Agreement and is not a staffing requirement For classifications not covered by Appendix B, the rates specified in Paragraph 1 of Appendix A shall be applicable

<u>CLASSIFICATION</u> <sup>1</sup>	January 1, 2008 <u>3% Increase</u>		January 1, 2009 <u>3% Increase</u>		January 1, 2010 <u>3% Increase</u>	
	<u>Daily</u>	<u>Hourly</u>	<u>Daily</u>	<u>Hourly</u>	<u>Daily</u>	<u>Hourly</u>
Gaffer		\$28.73		\$29.59		\$30.48
Best Boy Electric		\$25.05		\$25.80		\$26.58
Lamp Operator		\$21.56		\$22.20		\$22.87
Lighting Technician		\$21.56		\$22.20		\$22.87
Rigging Gaffer		\$25.05		\$25.80		\$26.58
Special Effects		\$28.65		\$29.51		\$30.40
Asst. Special Effects		\$21.56		\$22.20		\$22.87
Set Decorator-On Call	\$465.93		\$479.91		\$494.31	
Lead Person		\$21.56		\$22.20		\$22.87
Swing Gang		\$21.56		\$22.20		\$22.87
Prop Master		\$28.65		\$29.51		\$30.40
Asst Prop Master		\$21.56		\$22.20		\$22.87
Key Costumer		\$27.57		\$28.40		\$29.25
Costumer		\$23.04		\$23.73		\$24.44
Hairstylist		\$21.56		\$22.20		\$22.87
Body/Add'l Makeup Artist		\$21.56		\$22.20		\$22.87
Sound Mixer		\$28.65		\$29.51		\$30.40
Boom Operator		\$22.39		\$23.06		\$23.76
Welfare Worker/Teacher		\$28.65		\$29.51		\$30.40
First Aid		\$21.56		\$22.20		\$22.87
Other Technical Persons		\$21.56		\$22.20		\$22.87
Other Stagecraft Persons		\$21.56		\$22.20		\$22.87
Set Designer		\$28.65		\$29.51		\$30.40
Scenic Artist (On Set)		\$30.80		\$31.72		\$32.67

<u>CLASSIFICATION</u>	<u>January 1, 2008</u> <u>3% Increase</u>		<u>January 1, 2009</u> <u>3% Increase</u>		<u>January 1, 2010</u> <u>3% Increase</u>	
	<u>Daily</u>	<u>Hourly</u>	<u>Daily</u>	<u>Hourly</u>	<u>Daily</u>	<u>Hourly</u>
Production Accountant	Individual Negotiation — On Call Basis					
Production Office Coordinator	Individual Negotiation — On Call Basis					
Asst. Production Accountant	Individual Negotiation — On Call Basis					
Asst. Production Office	Individual Negotiation — On Call Basis					
Art Department Coordinator	Individual Negotiation — On Call Basis					
Marine Coordinator	As Negotiated		As Negotiated		As Negotiated	
Boat Handler	As Negotiated		As Negotiated		As Negotiated	
On-Set Picture Boats	As Negotiated		As Negotiated		As Negotiated	