

**AGREEMENT OF AUGUST 1, 2007 BETWEEN PRODUCER AND
STUDIO TRANSPORTATION DRIVERS, LOCAL #399
OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS**

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**AGREEMENT OF AUGUST 1, 2007 BETWEEN PRODUCER AND
STUDIO TRANSPORTATION DRIVERS, LOCAL #399
OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS**

THIS AGREEMENT, executed as of August 1, 2007 between Studio Transportation Drivers, Local #399 of the International Brotherhood of Teamsters (hereinafter referred to as the “Union”), on the one hand, and the following companies, on the other hand:

A.E. Schmidt Co., Inc.
Axium Film Corp.
Balance Productions, Inc.
The Barn Productions, Inc.
Cast & Crew Production Payroll, LLC
CBS Studios Inc.
Columbia Pictures Industries, Inc.
Corapeake Productions, Inc.
CPT Holdings, Inc.
Dean River Productions, Inc.
Deluxe Laboratories, Inc.
EPSG Management Services
Eye Productions
Fenley Delivery Inc.
Film Payment Services, Inc.
Filmarc, Ltd.
Final Stretch Productions
FSI Processing, Inc.
Granite Productions, Inc.
Green Set Inc.
House of Props, Inc.
In Therapy Productions, Inc.
Madison Avenue Prods. Inc.
mekanism, inc.
Metro-Goldwyn-Mayer Pictures Inc.
MFV Productions LLC
MGM Television Entertainment Inc.
National Studios, Inc.
Norman Balos
Paramount Pictures Corporation
Park Pictures, LLC
Production Partners, Inc.

Quantum Payroll Services, Inc.
Radiant Pictures, Inc.
Regency Television Productions, Inc.
Reunited Productions, Ltd.
Reveal Entertainment Inc.
Sony Pictures Studios, Inc.
Space Program, LLC
Stir Fry Films, Inc. dba Mohr Gallerami &
Mohr Films
Strike-A-Match Productions, Inc.
Touchstone Television Productions LLC
TVM Productions, Inc.
Twentieth Century Fox Film Corporation
United Artists Productions Inc.
Universal City Studios LLLP
Universal Network Television LLC
Walt Disney Pictures
Warner Bros. Pictures
Warner Bros. Studio Facilities
Warner Bros. Television
Westgate Productions

and those Producers who have effectively consented to be part of the multi-employer bargaining unit, hereinafter referred to individually as a “Producer” and collectively as the “Producers.”

W I T N E S S E T H :

In consideration of the mutual agreements herein contained, the parties hereto agree as follows:

ARTICLE 1. Scope of Agreement

This Agreement shall be applicable to the classifications of employees listed in the “**Wage Scales, Hours of Employment and Working Conditions**” attached hereto, employed by the Producer in the State of California and whose services are rendered in connection with the production of motion pictures under the supervision of the Producer’s executives managing its studios in Los Angeles County, California, and who are on the payroll of the Producer or on the payroll of any corporation, partnership, individual, association or organization located in and

engaged in the production of a motion picture in Los Angeles County, California, in which picture the Producer has any financial interest, all of whom will herein be collectively referred to as "Teamsters." This Agreement shall be binding on the signatories hereto and all parties who, by reason of mergers, consolidations, reorganizations, sale, assignment or the like, shall succeed to, or become entitled to, a substantial part of the production business of any signatory, in and limited to Los Angeles County, California. Provided, however, this Agreement shall not be applicable to independent contractors of dogs or dog acts, dog owners, or dog trainers and/or dog handlers or to independent contractors of wild animals or wild animal acts, wild animal owners or wild animal trainers and/or wild animal handlers employed as part of an "act" or "package deal," but such dog or wild animal trainers or handlers shall not be paid less than the minimum wage scale rates provided herein for dog or wild animal trainers or handlers, respectively, as the case may be. Producer shall give the Union advance notice before making the type of "package deal" above described. For purposes of this Agreement, the terms dog handler or dog trainer or wild animal handler or wild animal trainer, as used herein, shall be deemed to refer only to dog or wild animal handlers and/or trainers who are subject to this Agreement.

The parties acknowledge that courier work is covered under contracts separately negotiated between the Union and so-called courier companies.

The term "employee," as hereinafter used, shall be deemed to mean an employee subject to the terms and conditions of this Agreement. The term "motion picture," as used herein, shall be deemed to mean motion pictures of any type or nature produced by Producer. It is the mutual understanding and agreement of the parties hereto that the term "motion pictures," as used in this collective bargaining agreement and in all prior basic agreements between the parties, means and includes and has always meant and included motion pictures whether made on or by film, tape or otherwise, and whether produced by means of motion picture cameras, electronic cameras or devices, or any other combination of the foregoing, or any other means, methods or devices now used or which may hereafter be adopted.

ARTICLE 2. Recognition

The Producer recognizes the Union as the exclusive collective bargaining representative of all classifications listed in this Agreement, employed by the Producer. The Union makes this Agreement on behalf of such employees employed by the Producer, the majority of whom the Union warrants are members of the Union in good standing.

ARTICLE 3. Shop Requirements

(a) Each and every employee subject to this Agreement hired by the Producer(s) to perform services in the County of Los Angeles, or hired by the Producer(s) in the County of Los Angeles to perform services outside said County, shall be and remain a member in good standing of the Union on and after the date he is placed on the Industry Experience Roster or on and after the thirtieth day following the first day of employment or the effective date of this Agreement, whichever is the later.

The foregoing requirements of Union membership as a condition of employment shall be subject to the obligations of the parties hereto under the law.

(b) The parties hereto agree that the above union security provision shall be interpreted and enforced in accordance with and subject to the provisions of the National Labor Relations Act, as amended in 1947, or subsequent amendments thereto, or any other applicable law. In case of repeal or amendment of the Labor Management Relations Act of 1947, or in case of new legislation rendering permissible any union security to the Union greater than those specified in this subparagraph of this Agreement, then and in such event, such provisions shall automatically be deemed substituted in lieu thereof. In such event, and if permissible under law, the Union agrees to supply adequate, competent and qualified employees for the job requirements of the Producer in the crafts and classifications covered by this Agreement, and if the Union fails to do so, the Producer may secure such employees from any source, who shall become subject to the union security provisions of the Agreement.

(c) The Producer may employ or continue to employ any such employee who does not become or is not a member of the Union as required under subparagraph (a) above, until: (1) the Union first gives the Producer a written notice that such then-employed employee has not become or is not then a member of the Union as above required, because of such employee's failure to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining such membership, as the case may be; and (2) such employee fails to tender to the Union such required periodic dues or initiation fees, as the case may be, within three (3) days after Producer receives such notice, in which event Producer, upon receipt of written notice by the Union requesting the discharge of such employee for non-membership, as herein provided, shall discharge said employee at the close of the shift on which such employee is working at the time Producer receives this notice.

(d) Producer agrees to inform the Union, in writing, within seven (7) days (Saturdays, Sundays and holidays excluded) from the first day of employment hereafter, of the name and date of the first day of employment of any employee subject to this Agreement. Producer shall not be deemed to be in default under this subsection (d) until the Union has notified the Producer in writing of a violation hereof, and the Producer has not, within three (3) days, complied with such notice.

(e) The Union agrees that it shall indemnify and save the Producer harmless from and against all liability or damages awarded or assessed against said Producer by the National Labor Relations Board, or from and against any liability or damages awarded or assessed against said Producer by any court upon appeal from any action taken by the National Labor Relations Board, when such liability or damages are sustained by reason of or arising from, or out of the discharge by Producer of any employee subject to this Agreement for non-membership in the Union, which discharge is based upon the written notification by the Union or Producer that such employee has not become or is not then a member of the Union because of such employee's failure to tender the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the Union, or because of such employee's failure or refusal to complete his membership.

ARTICLE 4. Wage Scales, Hours of Employment and Working Conditions

Wage scales, hours of employment and working conditions shall be as set forth in the "**Wage Scales, Hours of Employment and Working Conditions**" attached hereto.

ARTICLE 5. Better Conditions - Deal Memos - Personal Service Contracts

Nothing in this Agreement shall prevent any individual from negotiating and obtaining from the Producer better conditions and terms of employment than those herein provided. Provided also, that the Producer, at its discretion, with or without Union consultation, may give any individual better conditions and terms than those herein provided.

The following, when individually negotiated pursuant to this Article, are subject to grievance and arbitration: the guaranteed period of employment, wage

rate or salaries, the number of guaranteed hours, equipment rental and travel. If such items are included in a deal memo or personal service contract, a copy thereof shall, upon request, be furnished to the Local Union. Such deal memo or personal service contract shall conform, as a minimum, to the terms and conditions of this Agreement.

The following language shall be included in all deal memos or personal service contracts: "All provisions of this deal memo (or personal service contract) are subject to and must provide no less than the terms and conditions of the Producer-Studio Transportation Drivers, Local #399 Agreement."

Producer will notify the Union of the fact that it has executed any written personal service contract or deal memo with any person subject to this Agreement, and will certify that such personal service contract or deal memo conforms, at least, to the terms and conditions of this Agreement and that an extra copy of such contract has been furnished to the employee.

No such granting to any individual of better conditions and terms, if any, shall in any manner affect the conditions and terms herein provided, nor shall it be considered, in any manner, as a precedent for granting better conditions and terms than those herein provided to any other individuals or job.

ARTICLE 6. Authority of Union and Producer

The Union and the Producer each agrees that it will not maintain nor adopt any Articles or By-laws or any rules or orders which will prevent compliance with this Agreement.

ARTICLE 7. Grievance and Arbitration Procedure

In the event of any dispute between the Union or any of the persons subject to this Agreement and the Producer with regard to wages, hours, or other conditions of employment under this Agreement, or with regard to the interpretation of this Agreement, the procedure, unless otherwise specifically provided herein, shall be as follows:

Step One

The aggrieved party shall discuss the matter with his immediate supervisor. In the event the matter is not resolved, then, within five (5) days thereafter, the aggrieved party shall reduce the grievance to writing and mail or deliver same to the other party and concurrently furnish a copy of such notice to the designated representative of the Local Union. Such written notice shall contain the specific contract provisions and sections which are alleged to have been violated, a clear statement of the facts of the alleged violation, the name of the grievant and the remedy that is being requested. Upon receipt of such written notice, the receiving party will be required to respond within ten (10) working days. The Shop Steward and the Department Head shall immediately discuss the matter and the grievance shall be settled if at all possible. The decision, if any, of these representatives shall be final and binding upon the parties and any employees concerned.

Step Two

If the grievance is not settled in Step One within ten (10) days following the invocation of Step One, or if there is no Shop Steward, the aggrieved party may proceed to Step Two by delivering or mailing, within ten (10) days thereafter, a written demand, which shall include a statement of the particulars of the claim, upon the other party. Failure of the aggrieved party to so serve such demand shall constitute a waiver of the claim.

Upon receipt of such written notice, but no later than ten (10) days after receipt of such notice, the Business Representative of the Local Union and the designated representative of the Producer shall immediately discuss the matter and the grievance shall be settled if at all possible. The decision, if any, of these representatives shall be final and binding upon the parties and any employees concerned.

Step Three

In the event the grievance is not settled in Step Two, or if the Business Representative of the Local Union and the designated representative of the Producer fail to meet in Step Two, the aggrieved party may proceed to Step Three by delivering or mailing to the other party and Contract Services Administration Trust Fund (CSATF), within ten (10) days following the completion of Step Two or, if there is no meeting in Step Two, within ten (10) days after service of the demand in Step Two, a written request for Step Three proceedings. Unless either party objects to submission of the dispute to Step Three as provided below, the dispute shall thereupon be submitted for resolution to a panel comprised of one (1)

Union representative and one (1) Producer representative. The Union representative shall be Secretary-Treasurer Leo T. Reed or his designee. The Producer representative shall be AMPTP President J. Nicholas Counter III or his designee. The Union representative and the Producer representative shall each have one vote.

The grievance shall be heard by such Producer and Union representatives at a mutually-established time and place. The parties to the grievance shall be present and shall be responsible for the presentation of their own evidence at such time and place. Failure of either party to the grievance to comply with the foregoing requirements shall be deemed a waiver of the claim or waiver of any defense to the claim, as the case may be.

The panel shall schedule the order of the grievances to be heard. Prior to beginning the hearing, the panel shall attempt to assist the parties in mutually resolving the grievance. If the parties fail to resolve the grievance with the assistance of the panel, either party shall have the right to opt out of the Step Three hearing before it begins and may instead proceed to arbitration.

If neither party opts out of the Step Three hearing, the panel will afford the parties an oral hearing on the merits of such grievance and render a written decision thereon within five (5) working days from the close of the hearing, but in no event later than twenty (20) working days after the hearing is commenced. The panel shall determine its own rules and procedures. The decision of the panel, if any, shall be final and binding upon the parties and any employees concerned.

If the aggrieved party objects to submission of the dispute to Step Three, then it may proceed immediately to expedited or regular arbitration, as provided below, within ten (10) working days of the completion of Step Two. If the responding party objects to submission of the dispute to Step Three, it shall so notify the other party at least three (3) days prior to the Step Three hearing. The aggrieved party shall thereupon have the right to proceed to expedited or regular arbitration, as provided below, within ten (10) working days after receipt of such notice from the responding party.

Step Four

If no decision is rendered by the Step Three panel within the above-mentioned period, by failing to agree or otherwise, then the parties may proceed to expedited arbitration or regular arbitration as provided below. In addition, if either party has elected to bypass Step Three, as provided in the first paragraph under "Step Three" above, or has decided to opt out of Step Three, as provided in

the third paragraph under “Step Three” above, the parties may proceed to regular or expedited arbitration as provided below. In either case, the time limits for doing so shall be as provided under “Step Three” above, except when a party has elected to opt out of Step Three in accordance with the third paragraph under “Step Three” above, in which case the aggrieved party may proceed to regular or expedited arbitration, as provided below, by delivering or mailing to the other party and to CSATF, within ten (10) working days after the date of the Step Three meeting, a written demand for expedited or regular arbitration.

The aggrieved party may elect to proceed to expedited arbitration in cases involving the discharge for cause of an employee subject to Paragraph 62 within ten (10) working days following the completion of Step Three. The aggrieved party may also elect to proceed to expedited arbitration following Step Three in cases wherein the claim for wages does not exceed fifteen thousand dollars (\$15,000). The aggrieved party may also proceed to expedited arbitration following Step Three over disputes with regard only to the **“Wage Scales, Hours of Employment and Working Conditions”** provision of this Agreement, subject to this Article 7, and provided the claim for damages does not exceed fifteen thousand dollars (\$15,000). Any other case may be submitted to expedited arbitration only by the mutual agreement of the parties.

If any aggrieved party decides to so proceed to expedited arbitration, that party must, within ten (10) working days after the close of Step Three as above mentioned, proceed by delivering or mailing to the other party and to CSATF a written request for such expedited arbitration. When mutual agreement to proceed to expedited arbitration is required, such party may, at the same time, request an invocation of the regular arbitration procedure provided for below and, in the event no such mutual agreement to proceed to expedited arbitration, when required, is received by the aggrieved party within five (5) working days after service of such request, the aggrieved party may proceed to the regular arbitration procedure provided below.

In the alternative, the aggrieved party may proceed to regular arbitration by delivering or mailing to the other party a written demand for regular arbitration within ten (10) calendar days following the close of Step Three, as above mentioned. Failure of the aggrieved party to so serve such a request and/or demand within the respective prescribed periods shall constitute a waiver of the claim.

In scheduling any grievance in Step Three or Step Four, preference shall be given to any grievance involving the discharge of an employee or a grievance involving the Industry Experience Roster.

(a) Expedited Arbitration

Cases that are submitted to expedited arbitration shall be heard by an expedited arbitration panel within ten (10) working days after the other party receives the demand for expedited arbitration or within ten (10) working days after the other party gives notice of its agreement to proceed to expedited arbitration when the mutual agreement of the parties is required.

The Alliance of Motion Picture & Television Producers (hereinafter “the AMPTP”) and the Chairman of the Basic Crafts shall forthwith appoint four (4) arbitrators and four (4) alternates with recognized experience as professional labor arbitrators as members of the standing panel of neutral arbitrators.

From the panel of names of the neutral arbitrators, the arbitrators shall be assigned, in rotation, by CSATF to the cases as they arise. The parties to an expedited arbitration may, by mutual consent, select an arbitrator out of rotation provided that notice of their selection is given to CSATF prior to the appointment of the arbitrator next in rotation.

The parties agree to meet, following the conclusion of negotiations, for the purpose of modifying the expedited panel. During the term of this Agreement, the parties may add the names of additional persons to the panel of neutral arbitrators to either supplement said panel or replace persons no longer available to serve.

The parties will not file briefs or use a stenographic record, but may present a written statement of the facts. The Arbitrator shall have authority to rule on all motions and decide the case. The neutral arbitrator shall render a written decision within five (5) days from the conclusion of the hearing. The writing of an opinion will be at the discretion of the neutral arbitrator.

Hearings will be scheduled at CSATF as soon as reasonably practical after the selection of the neutral arbitrator, unless the parties and the neutral arbitrator mutually agree otherwise. If such person selected as the arbitrator is not available, another arbitrator shall be selected by the same process as above described. The decision of the arbitrator shall be final and binding upon the parties and any employees concerned. The neutral arbitrator shall have the power to determine only the specific grievance or dispute and, when appropriate, award wage payments, adjustments or damages consistent with the contract, in an amount not to exceed fifteen thousand dollars (\$15,000), but shall not have the power to amend, modify or effect a change in any of the provisions of this Agreement, nor to determine jurisdictional disputes between the Union and any other labor

organization. The arbitrator shall not have the power to determine disputes arising under Paragraph 57 of this Agreement, “**Non-Discrimination;**” such disputes are instead subject to non-binding mediation. The decision of the neutral arbitrator in an expedited arbitration shall be non-precedential and his decision and/or opinion, if any, shall not be offered or admitted into evidence in any other proceeding other than: (1) a judicial action seeking confirmation, correction or vacation of said decision; or (2) a grievance or arbitration proceeding involving the same Producer and Local Union.

The bills of the arbitrator, together with a completed information form, shall be sent by the arbitrator to the Local Union and the Producer involved in the expedited arbitration, with copies to CSATF. The information form shall be jointly prepared by the Chairman of the Basic Crafts and CSATF. The fees of the impartial arbitrator and the costs of the arbitration shall be borne by the losing party. The Arbitrator shall have the discretion to determine who is the “losing party.” All other costs and fees shall be borne by the party incurring same.

(b) Regular Arbitration

The aggrieved party may elect to proceed to regular arbitration within ten (10) working days following the completion of Step Three if no agreement has been reached by the parties.

If such demand is served for a regular arbitration, then the parties shall select a sole arbitrator to hear and determine the grievance either by: (1) mutual agreement of the parties; or (2) by lot, from the list of arbitrators, under the following procedure: the name of the arbitrator shall be selected from the list of arbitrators obtained from the Federal Mediation and Conciliation Service (which the parties shall endeavor to maintain currently), within five (5) days of the receipt of such demand.

Such hearing shall be held within fourteen (14) days after the arbitrator is selected, at such time and place as the arbitrator shall determine. If the arbitrator so selected is unable or unwilling to undertake the arbitration within the time limit herein provided, another arbitrator shall be selected from such list. The decision of the arbitrator shall be rendered in writing, stating his reasons for the award, within thirty (30) days after the submission of the grievance for decision. The arbitrator’s decision shall be final and binding upon the parties thereto and upon any employees concerned. The arbitrator shall have the power to determine the specific grievance or dispute, but shall not have the power to amend, modify or effect a change in any of the provisions of this Agreement, nor to determine jurisdictional disputes between the Union and any other labor

organization. The arbitrator shall not have the power to determine disputes arising under Paragraph 57 of this Agreement, "**Non-Discrimination**;" such disputes are instead subject to non-binding mediation.

The cost of a court reporter and original transcript, when jointly requested, shall be borne equally by the parties to the dispute; otherwise, the party making such request shall pay for it. The fees and expenses of the arbitrator shall be borne by the losing party. The arbitrator shall have the discretion to determine who is the "losing party." All other costs shall be borne by the party incurring the same.

(c) Claims

Any claims for the payment of wages or severance pay, not presented under Step One within thirty (30) consecutive calendar days after the employee is entitled to such monies, or after the employee or the Union has had a reasonable opportunity to become aware of the occurrence, shall be deemed to be waived. Any claims for the payment of holiday or vacation pay shall be subject to the time limits established in the applicable provisions of this Agreement.

Any other claim or grievance not presented under Step One, within (i) sixty (60) calendar days after the occurrence of the subject matter of the grievance or (ii) sixty (60) calendar days after the employee or the Union has had a reasonable opportunity to become aware of the occurrence, shall be deemed to be waived. Time on distant location shall not be included in this period.

For the purpose of this Article, "aggrieved party" shall mean the Producer or the Union acting on its own behalf or on the behalf of an employee covered by this Agreement.

(d) In General

An arbitration award issued in either expedited or regular arbitration proceedings or a final and binding award rendered in Step Three of the grievance procedure which requires the payment of a specific sum of money shall be paid within thirty (30) days of the date of the award. If payment is not made within said period, interest shall accrue on the sum(s) due from the date of the award at the rate of one percent (1%) per month.

If a calculation is required to determine the specific amount(s) due under the award, the Producer shall calculate such amount(s) and shall notify the other party of the specific sum(s) due within sixty (60) days of the date of the

award. If such calculation is not made or if notice is not given as required, interest shall accrue on the sum(s) due from the date of the award at a rate of one percent (1%) per month. If, after calculation, the parties disagree on the sum(s) due, or if the amount(s) due and owing under the award cannot be calculated within the sixty-day period as a result of factors beyond the control of the Producer, then no interest shall accrue upon the sum(s) due.

The time periods provided for herein may be extended by mutual written consent of the parties.

ARTICLE 8. Conflict With Laws

In the event that any provision of this Agreement relating to the amounts and payment of wages or other financial benefits is affected by any legislation, decision of a court of competent jurisdiction or governmental regulation in such manner so that such wages or other financial benefits would be increased over, or decreased under, the amount intended to be paid by the parties hereto at the time of the execution of this Agreement, then each of the parties hereto agrees that upon written notice from the other party setting forth the provisions to be negotiated, they will renegotiate for modification of such provisions so that such provisions will conform to such legislation, decision of a court of competent jurisdiction or governmental regulation, as the case may be, and will provide, as nearly as possible, for payment of wages or other financial benefits in the amount intended to be paid by the parties hereto at the time of the execution hereof.

If the parties are unable to arrive at an agreement within thirty (30) days after delivery of such notice, then such provisions in question shall be immediately submitted to an Arbitration Committee composed of one member designated by the Producer, one member by the Union and an Impartial Chairman, to be selected by such other two (2) members within ten (10) days following such thirty (30) day period provided above. This Arbitration Committee shall promptly proceed to hear and settle such matter.

The authority of this Arbitration Committee to decide shall be limited solely to determining the appropriate modifications of such provisions so that such provisions will conform to such legislation, decision of a court of competent jurisdiction or governmental regulation, as the case may be, and will provide, as nearly as possible, for the payment of wages and other financial benefits in the amount intended to be paid by the parties at the time of execution of this Agreement.

The terms and conditions of such appropriate modifications, if any, by the said Arbitration Committee, shall be effective and operative as of the date on which the provisions, so modified accordingly, were so affected by any such legislation, decision of a court of competent jurisdiction or governmental regulation, as the case may be, in such manner and to the extent as above described and provided. The amounts and payments of wages or other financial benefits contained in such appropriate modifications, if any, made by such Arbitration Committee, shall be computed and paid thereunder retroactive to the effective date of such modifications. In the event that no such modifications can be made, as above provided, because of any legislation, decision of a court of competent jurisdiction or governmental regulation, Producer shall not be liable for any retroactive back pay adjustments, or any other penalty, if any such modification is thereafter permissible. The decision of the said Arbitration Committee shall be final and shall not be subject to the grievance and arbitration procedure in Article 7 above, but its authority to decide shall be limited to the issue and remedy herein provided. The above procedure and conditions shall be the exclusive remedy for determining any dispute arising under this Article 8.

Upon written notice by such Arbitration Committee to the respective parties hereto, the modification of such provisions as determined by said Committee, as above provided, shall automatically become a part of this Agreement. Fees and expenses of the Impartial Chairman shall be borne equally by the Union and the Producer.

ARTICLE 8A. Effect of Void Provisions

Should any portion of any provision of this Agreement be declared unlawful by any agency or tribunal of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect.

ARTICLE 8B. No Strike - No Lockout

The Union agrees during the existence of this Agreement, unless the Producer fails to comply with an arbitration award, not to strike against, picket or boycott the Producer for any reason whatsoever, and to order its members to perform their obligations to the Producer hereunder and to use its best efforts to get the employees to perform such obligations. The Producer agrees not to engage in any lockout unless the Union fails to comply with an arbitration award. However, the Producer's or Union's properly-served notice to the other party of its intention to attempt to set aside an arbitration award in a court of competent

jurisdiction (including continuation through the appropriate appeals procedure) shall not constitute failure to comply with said award.

The Producer will not discipline any employee covered by this Agreement because of his refusal as an individual to cross a picket line, providing that such picket line has been sanctioned by the Joint Council of Teamsters, No. 42.

No employee covered by this Agreement shall be required by the Producer to go through any picket line when there is actual and imminent danger of bodily harm to the employee.

Notwithstanding anything herein contained, it is agreed that in the event the Producer is delinquent in the payment of its contributions to the Health or Pension Plans created under this Agreement, in accordance with the rules and regulations of the Trustees or Directors of such Plans, after the Secretary-Treasurer of the Local Union has given seventy-two (72) hours written notice (excluding Saturdays, Sundays and holidays) to the Employer specifically identifying such delinquent payments, the Local Union shall have the right to take such action as it deems necessary until such delinquent payments are made, and it is further agreed that in the event such action is taken, the Employer shall be responsible to the employees for losses resulting from such delinquent payments. This means that a delinquent employer would be responsible for any loss of health or pension benefits which occurs to a claiming employee as a result of the specified delinquencies. It is further understood that no claim could be made under this Article for wages not earned by employees because of job action by the Local Union as applied to any delinquent employer hereunder as a result of specified delinquencies.

ARTICLE 8C. Federal and State Laws - Department of Transportation

In the event that any of the provisions of this Agreement violate applicable federal or state laws or regulations, including those of the Department of Transportation, such provision shall be void and then the Union and Producer shall meet in a good faith attempt to modify the provisions of this Agreement to conform with applicable state or federal laws or regulations.

ARTICLE 9. Term of Agreement

The term of this Agreement shall be for a period commencing with August 1, 2007 and extending to and including July 31, 2010.

The AMPTP, on behalf of the Producers listed in the introduction to this Agreement, shall have the right to reopen this Agreement for the purpose of renegotiating any and all provisions contained herein if the Union fails to substantially comply with its commitments as set forth in Sideletter No. 13 dated March 12, 2001. If the AMPTP does so, this Agreement shall expire sixty (60) days after the date of the reopening notice. Following the expiration date, the “No Strike, No Lockout” provisions of the Agreement (Article 8B.) shall not be applicable.

Either party may, by written notice to the other served on or before May 1, 2010, request renegotiation of the “**Wage Scales, Hours of Employment and Working Conditions**” of this Agreement. Such notice shall set forth in detail the proposals or recommendations of the party serving said notice of request for renegotiation. If such notice is served, the parties agree to commence negotiations within thirty (30) days after May 1, 2010 concerning the proposals or recommendations set forth in such notice and to continue negotiations diligently and in good faith on such proposals and on counterproposals relating to the above said subject matter which are submitted in such negotiations.

ARTICLE 10. Interpretation

Unless otherwise specifically defined herein, terms shall be given common meaning in the motion picture industry.

This Agreement hereby terminates and replaces the previous Agreement between the parties hereto entitled “Agreement of August 1, 2004 between Producer and Studio Transportation Drivers, Local #399.”

ARTICLE 11. Health Plan

(a) Producers, the IATSE, and the respective Basic Crafts Unions are parties to the “Agreement and Declaration of Trust establishing the Health Plan for the Employees of the Motion Picture Industry” (hereinafter referred to as the “Health Plan”) made as of October 20, 1952. Such Health Plan was established in

accordance with the provisions of the “Producer-I.A.T.S.E. and M.P.M.O. Supplemental Agreement of October 25, 1951.”

(b) In accordance with Article V, Sections 1 and 2 of such Health Plan, and subject to the provisions for changes hereinafter set forth, the Producer shall, for the period commencing with August 1, 2007 to and including July 31, 2010, pay into the Health Plan one dollar, forty-five and eight-tenths cents (\$1.458) for each hour worked by or guaranteed an employee by such Producer on or after August 1, 2007 under the terms of this Agreement, including “straight time” and “overtime” hours on any day worked.

(c) In the event additional crafts and classifications of work shall, as herein provided, become subject to this Agreement subsequent to August 1, 2007, then and in such event, this Article 11 shall only be effective and applicable to employees thereafter employed hereunder by Producer in such crafts and classifications of work, commencing as of a date thereafter upon which the Producer and the Union shall mutually agree.

(d) When a minimum call is applicable and the employee works less than the minimum call, then the minimum call shall constitute time worked. Employees subject to this Agreement employed for full weeks under guaranteed weekly salary schedules shall be credited with not less than the hours guaranteed the employees under such guaranteed weekly salary schedule. In the event such employee works in excess of such applicable number of hours guaranteed in such weekly schedule, then additional contributions shall be made on such excess hours worked.

(e) For purposes of this provision, studio, nearby and distant location employment under “on-call” weekly schedules shall be considered as follows:

- (1) Partial week - twelve (12) hours per day
- (2) Five day week - sixty (60) hours
- (3) Six day week - sixty-seven (67) hours
- (4) Seven day week - seventy-five (75) hours

For the sixth day not worked on distant location, health contributions for “on call” employees shall be based on seven (7) hours. For the seventh day not worked on distant location, health contributions for “on call” employees shall be based on eight (8) hours.

(f) During the period August 1, 2007 to and including July 31, 2010, benefits under the Active Employees Fund (including the current bank of hours provision, eligibility standards, dental and vision benefits and INGENIX

schedules operative as of August 1, 2007) shall be maintained at the level in effect on August 1, 2007, in the following manner:

If, at any time during the term of this Agreement, the level of reserves drops below eight (8) months, the Trustees, in conjunction with the Plan consultants, shall review the projections as to future reserve levels. If the consultants project, taking into account a reasonable amount of Supplemental Markets income, that the level of reserves will fall below six (6) months during the term of this Agreement, the following steps shall be taken:

(1) First, monies received from Post '60s payments in excess of the amount needed to fund the additional check(s) for retired employees, as provided in Article 12(f)(2) of the 2001 Producer-Studio Transportation Drivers, Local #399 Agreement and in Article 12(f)(1)(ii) of the 2004 Producer-Studio Transportation Drivers, Local #399 Agreement, and in excess of the amount needed to fund the increase in the defined benefit plan for active employees as provided in Article 12(f)(1)(i) of the 2001 and 2004 Producer-Studio Transportation Drivers, Local #399 Agreements (but only to the extent that Supplemental Markets monies are insufficient to fund such increases) shall be allocated to the Active Employees Fund;

(2) Thereafter, if the consultants project, taking into account a reasonable amount of Supplemental Markets income, that the level of reserves will drop below four (4) months during the term of this Agreement, employer contributions will be increased to the amount and for such time as is necessary to create a four (4) month reserve level.

(g) It is understood and agreed that with respect to the employees subject to this Agreement who are employed by Metro-Goldwyn-Mayer, Inc., the following provisions shall also apply:

For the purposes of the following provisions of this Article, the above-mentioned Health Plan will be referred to as the "Health Plan" and the Retirement Plan for Employees of Metro-Goldwyn-Mayer, Inc. will be referred to as the "Retirement Plan."

Notwithstanding the extension of said termination date as aforesaid and notwithstanding any of the preceding provisions of this Article or of any provisions of the Health Plan, Producer shall not be obligated to establish a reserve for or to make payments into the Health Plan with respect to any employee of Producer who is or becomes a member of the Retirement Plan on or before March 1, 1961 while he is a member of the Retirement Plan, nor shall such

employee be subject to the Health Plan during such period (except pursuant to the provisions of the last paragraph of this Article).

An employee who became a member of the Retirement Plan on or before March 1, 1961 shall not be considered to be subject to a “union welfare contract” effective as to such employee, within the meaning of Paragraph 36 of the Retirement Plan, during such time as he is a member of the Retirement Plan. An employee who withdrew from the Retirement Plan on or before March 1, 1961 shall be considered to be subject to a “union welfare contract” effective as to such employee, within the meaning of Paragraph 36 of the Retirement Plan.

Nothing herein set forth shall preclude an employee who elected to remain or become a member of the Retirement Plan on or before March 1, 1961 also to become or remain, independently and at his own expense, subject to the Health Plan. Any employee who, pursuant to this Article, independently and at his own expense, becomes or remains subject to the Health Plan during any period when he is also a member of the Retirement Plan shall not be deemed to be an employee subject to a “union welfare contract” within the meaning of Paragraph 36 of the Retirement Plan. Any such employee shall pay the same amount into the Health Plan as would be paid or set up as a reserve with respect to such employee by Producer had such employee not been a member of the Retirement Plan.

Any person subject to this Agreement who continues in the employment of Metro-Goldwyn-Mayer, Inc. after his normal retirement date under the Retirement Plan, shall, during the period of such employment after such normal retirement date, be subject to the Health Plan.

(h) On an annual basis during the term of this Agreement, the AMPTP, the IATSE and the Chairman of the Basic Crafts (on behalf of the Basic Craft Group) shall jointly review the allocation to the Health Plan from the Supplemental Markets in conjunction with the allocation to the Pension Plan of Post ‘60s monies. Any agreement mutually agreed upon by them shall become a part of this Agreement.

(i) Effective August 1, 2007, for a dental plan, the Producer shall pay eighteen and seven-tenths cents (18.7¢) for each hour worked by or guaranteed an employee by such Producer on or after August 1, 2007 under the terms of this Agreement, including “straight time” or “overtime” hours on any day worked. The provisions of subsections (c), (d) and (e) shall apply to the provisions of this subsection.

(j) Effective August 1, 2007, for a vision care plan, the Producer shall pay into the Health Plan five cents (5¢) for each hour worked by or guaranteed an employee by such Producer on or after August 1, 2007 under the terms of this Agreement, including “straight time” and “overtime” hours for any day worked. The provisions of subsections (c), (d) and (e) shall apply to this subsection.

(k) At least sixty (60) days prior to the expiration of this Agreement, the parties will meet to determine the impact of national/state health care reform and will negotiate new health care provisions accordingly.

(l) Allocation of Directors

Five (5) Director positions shall be appointed by the Basic Crafts Unions to the Health Plan, which will be filled by a maximum of eight (8) different persons (including a representative of the American Federation of Musicians). The Basic Crafts Unions shall appoint common Directors for each Plan, unless the Directors decide otherwise.

(m) Participation in the Trust Funds by Representatives of the Basic Crafts Unions

The parties have recommended the following to the Directors of the Motion Picture Industry Pension and Health Plans and the Directors have adopted these recommendations:

(1) that at least one Director appointed by the Basic Crafts Unions be assigned to each committee established by the Motion Picture Industry Pension and Health Plans; and

(2) that the Directors select an additional law firm to serve as Trust Counsel and that a reasonable retainer be established therefor.

ARTICLE 12. Pension Plan

(a) Producers, the IATSE and the respective West Coast Locals are parties to the “Motion Picture Industry Pension Plan” (hereinafter referred to as the “Pension Plan”) made as of October 26, 1953. Such Pension Plan was established in accordance with the provisions of the “Producer-I.A.T.S.E. and M.P.M.O. Amendment Agreement of October 26, 1953.”

(b) In accordance with Article III, Sections 2 and 3 of the Pension Plan and subject to the provisions of such Pension Plan relating to private retirement plans, the Producer shall, for the period commencing August 1, 2007 to and including July 31, 2010, pay into the Pension Plan a total of one dollar twenty-six and sixty-five hundredths cents (\$1.2665) for each hour worked by or guaranteed an employee by such Producer during the period August 1, 2007 through July 31, 2010 under the terms of this Agreement, including “straight time” and “overtime” hours on any day worked.

Such money paid by Producer into the Pension Plan shall not constitute nor be deemed to be wages due to the individual employees subject to this Agreement, nor shall said money paid into the Pension Plan in any manner be liable for or subject to the debts, contracts, liabilities or torts of such employees.

(c) When a minimum call is applicable and the employee works less than the minimum call, the minimum call shall constitute time worked. Employees subject to this Agreement employed for full weeks under guaranteed weekly salary schedules shall be credited with not less than the hours guaranteed the employee under such guaranteed weekly salary schedule. In the event such employee works in excess of such applicable number of hours guaranteed in such weekly schedule, then additional contributions shall be made on such excess hours worked.

(d) For purposes of this provision, studio, nearby and distant location employment under “on-call” weekly schedules shall be considered as follows:

- (1) Partial week - twelve (12) hours per day
- (2) Five day week - sixty (60) hours
- (3) Six day week - sixty-seven (67) hours
- (4) Seven day week - seventy-five (75) hours

For the sixth day not worked on distant location, pension contributions for “on call” employees shall be based on seven (7) hours. For the seventh day not worked on distant location, pension contributions for “on call” employees shall be based on eight (8) hours.

(e) In the event additional crafts and classifications of work shall, as herein provided, become subject to this Agreement subsequent to July 31, 2007, then and in such event, this Article 12 shall only be effective and applicable to employees thereafter employed hereunder by Producer in such crafts and classifications of work, commencing as of a date thereafter upon which the Producer and the Union shall mutually agree.

(f) (1) Based upon the advice of the Plan's actuarial consultants that the Pension Plan contribution rate referred to in subparagraph (b) above is sufficient to support an increase in pension benefits as described in subparagraph (i) below, and upon their assurances that such an increase would be both prudent and sound from an actuarial point of view, the bargaining parties agree to recommend to the Directors of the Pension Plan the adoption of the following pension increases, to be funded out of said increases in the hourly contribution rate to the Pension Plan:

(i) For active participants in the Pension Plan as of August 1, 2006, the Directors will adopt, effective July 31, 2009, a ten percent (10%) pension increase retroactive to August 1, 2006, provided that an eight (8) month reserve exists during the first quarter of 2009 in each of the Active Health Fund and the Retired Employees Fund and, provided further, that funding to the Pension Plan continues at that contribution rate throughout the term of the 2007 Agreement; and

(ii) Employees formerly represented by the Basic Crafts Unions who retired prior to August 1, 2006 shall be entitled to a thirteenth and fourteenth check on or about November 1st of the first two years of this Agreement, provided that an eight (8) month reserve exists in each of the Active Health Fund and the Retired Employees Fund at that time.

(2) These increases are granted in recognition of the agreement by the actuaries of the Motion Picture Industry Pension Plan to recognize actuarial gains, with a prudent cushion for potential market decline.

(g) It is understood that the bargaining parties and the Directors of the Pension Plan will take all necessary steps to assure the tax deductibility of employer contributions under the provisions of the Internal Revenue Code as it now exists or is hereafter amended.

(h) Allocation of Directors

Five (5) Director positions shall be appointed by the Basic Crafts Unions to the Pension Plan, which will be filled by a maximum of eight (8) different persons (including a representative of the American Federation of Musicians). The Basic Crafts Unions shall appoint common Directors for each Plan, unless the Directors decide otherwise.

(i) Participation in the Trust Funds by Representatives of the Basic Crafts Unions

The parties have recommended the following to the Directors of the Motion Picture Industry Pension and Health Plans and the Directors have adopted these recommendations:

(1) that at least one Director appointed by the Basic Crafts Unions be assigned to each committee established by the Motion Picture Industry Pension and Health Plans; and

(2) that the Directors select an additional law firm to serve as Trust Counsel and that a reasonable retainer be established therefor.

ARTICLE 12A. Motion Picture Industry Individual Account Plan

(a) The Producer shall, for the period commencing August 1, 2007 to and including July 31, 2010, pay into the Motion Picture Industry Individual Account Plan the sum of thirty and five-tenths cents (30.5¢) for each hour worked by or guaranteed an employee by such Producer on or after August 1, 2007 under the terms of this Agreement, including “straight time” and “overtime” hours on any day worked.

The provisions of Article 12(c) and (d) shall apply to the foregoing paragraph.

In addition, Producer shall contribute to the Individual Account Plan the following amounts on behalf of each employee employed by the Producer hereunder (other than Occ. Code No. 3500, Transportation Coordinator; Occ. Code No. 3525, Stunt and/or Blind Driver; Occ. Code No. 3550, Ramrod; and Occ. Code No. 3571 Trainer (Domestic Livestock)):

For all hours worked by or guaranteed such employee during the period July 29, 2007 to and including August 1, 2009, five and one-half percent (5.5%) of the scale Regular Basic Hourly Rate of pay. (In the case of “on call” employees (other than Occ. Code No. 3500, Transportation Coordinator), such percentage payment shall be based on the scale “on call” rate.)

For all hours worked by or guaranteed such employee during the period August 2, 2009 to and including July 31, 2010, six percent (6%) of the scale Regular Basic Hourly Rate of pay. (In the case of “on call” employees (other than Occ. Code No. 3500, Transportation Coordinator), such percentage payment shall be based on the scale “on call” rate.)

As to each Transportation Coordinator (Occ. Code No. 3500), Stunt and/or Blind Driver (Occ. Code No. 3525), Ramrod (Occ. Code No. 3550) or Trainer (Domestic Livestock) (Occ. Code No. 3771) in its employ, Producer shall contribute to the Individual Account Plan as follows:

During the period July 29, 2007 to and including August 2, 2008, an additional one dollar and eighty-three cents (\$1.83) per hour based upon the number of hours on which contributions to the Health Plan, Pension Plan and Individual Account Plan are otherwise made on behalf of such employee;

During the period August 3, 2008 through August 1, 2009, an additional one dollar and eighty-eight cents (\$1.88) per hour based upon the number of hours on which contributions to the Health Plan, Pension Plan and Individual Account Plan are otherwise made on behalf of such employee; and

During the period August 2, 2009 to and including July 31, 2010, an additional two dollars and twelve cents (\$2.12) per hour based upon the number of hours on which contributions to the Health Plan, Pension Plan and Individual Account Plan are otherwise made on behalf of each such employee.

(b) The parties agree that each employee's Individual Account Plan shall vest after one (1) qualified year.

(c) Future reallocation of Post '60s and Supplemental Markets monies to the Individual Account Plan shall be done on the following basis:

(1) Only that portion of the reserves in the Active Health Plan that exceeds the amount needed to furnish benefits to participants in such Health Plan for twelve (12) months, and that portion of the reserves in the Retiree Health Plan that exceeds the amount needed to furnish benefits to participants in such Health Plan for twenty (20) months, measured as of September 30 of each year, shall be subject to reallocation. Reserve levels shall be calculated in accordance with the continuation value measurement methodology heretofore adopted by the Health Plan.

(2) Of the excess amount to be reallocated, eighty percent (80%) shall be allocated to the accounts of participants in the Individual Account Plan and twenty percent (20%) of the excess amount shall be designated as a credit against future Supplemental Markets or Post '60s payments, to be divided up among those Companies, each of which has made Supplemental Markets payments to the Health Plan of not less than \$15,000,000 (or has made Post '60s payments to the Retired Employees Fund of not less than \$6,000,000) in the aggregate

during the three (3) year period beginning January 1, 1994 and ending on December 31, 1996, or in any subsequent three (3) consecutive year period. For these purposes, the Supplemental Markets and Post '60s payments made by Columbia and TriStar shall be aggregated and the Supplemental Markets and Post '60s payments made by Amblin Entertainment Inc. and DreamWorks shall be aggregated.

(3) It is understood that funding of the 1997, 2001 and 2003 pension benefit increases described in the 1997, 2001 and 2004 Studio Transportation Drivers, Local #399 Agreements shall take place before any monies are reallocated pursuant to this subparagraph (c).

ARTICLE 13. Motion Picture Industry Health Plan - Retired Employees Fund

(a) Producer shall, for the period commencing August 1, 2007 to and including July 31, 2010, pay to the Industry Pension Plan through its Administrator, as agent for transmittal to the Motion Picture Industry Health Plan - Retired Employees Fund (subject to the provisions for changes hereinafter set forth), the following:

(b) Thirty cents (\$.30) for each hour worked by or guaranteed an employee by such Producer on or after August 1, 2007 to and including July 31, 2010 under the terms of this Agreement, including "straight time" and "overtime" hours on any day worked.

(c) When a minimum call is applicable and the employee works less than the minimum call, then the minimum call shall constitute time worked. Employees subject to this Agreement employed for full weeks under guaranteed weekly salary schedules shall be credited with not less than the hours guaranteed the employee under such weekly salary schedule. In the event such employee works in excess of such applicable number of hours guaranteed in such weekly schedule, then additional contributions shall be made on such excess hours worked.

(d) For the purposes of this provision, studio, nearby and distant location employment under "on-call" weekly schedules shall be considered as follows:

- (1) Partial week - twelve (12) hours per day
- (2) Five day week - sixty (60) hours
- (3) Six day week - sixty-seven (67) hours
- (4) Seven day week - seventy-five (75) hours

For the sixth day not worked on distant location, contributions to the Retired Employees Fund for “on call” employees shall be based on seven (7) hours. For the seventh day not worked on distant location, contributions to the Retired Employees Fund for “on call” employees shall be based on eight (8) hours.

(e) The above rate of contribution of thirty cents (\$.30) per hour effective August 1, 2007 represents no increase over the rate of contribution required for the period July 30, 2006 to July 31, 2007.

(f) During the period August 1, 2007 to and including July 31, 2010, benefits under the Retired Employees Fund (including dental and vision benefits and INGENIX schedules operative as of August 1, 2007) shall be maintained at the level in effect on August 1, 2007, so long as it is prudent to do so, in the following manner:

If, at any time during the term of this Agreement, the level of reserves drops below eight (8) months, the Trustees, in conjunction with the Plan consultants, shall review the projections as to future reserve levels. If the consultants project, taking into account a reasonable amount of Post ‘60s income, that the level of reserves will fall below four (4) months during the term of this Agreement, employer contributions will be increased to the amount and for such time as is necessary to create a four (4) month reserve level.

(g) With respect to those employees who are not included within a unit covered by a collective bargaining agreement, but who are members of a group the Producer has designated as eligible employees in accordance with the requirements of the Industry Pension Plan and who are participants in the Industry Pension Plan, Producer hereby agrees that it shall likewise pay the above respective amounts for each hour worked by or guaranteed an employee by such Producer on and after August 1, 2007, as above defined.

(h) With respect to those employees who are members of a private retirement plan and who are members of a group such Producer designated in a sufficient written instrument to the Trustees of the Health Plan as eligible for the benefits referred to in this Article 13, such Producer hereby agrees that it shall likewise pay the above respective amounts for each hour worked by or guaranteed such employee by Producer on and after August 1, 2007, as above defined.

(i) The money received by the Administrator of the Industry Pension Plan from such payments, as above provided, shall be kept separate and apart from any funds of the Industry Pension Plan, and shall be paid to the Retired Employees Fund upon demand by such Health Plan. Such Retired Employees Fund shall

provide for such health coverage, under such conditions as the Trustees of such Health Plan may determine to be appropriate, for the employees retired under the Industry Pension Plan and the private retirement plans referred to in the "Motion Picture Industry Pension Plan."

Such money paid by Producer to the Administrator of the Industry Pension Plan for transmittal shall not constitute nor be deemed to be wages due to the individual employees nor shall said money so paid into the Industry Pension Plan in any manner be liable for or subject to the debts, contracts, liabilities or torts of such employees.

(j) Effective August 1, 2007, for a dental plan, the Producer shall pay into the Retired Employees Fund five and one-tenth cents (5.1¢) for each hour worked by or guaranteed an employee by such Producer on or after August 1, 2007 under the terms of this Agreement, including "straight time" and "overtime" hours on any day worked. The provisions of subsections (c), (d) and (f) shall apply to this subsection.

(k) Effective August 1, 2007, for a vision care plan, the Producer shall pay into the Retired Employees Fund two cents (2.0¢) for each hour worked by or guaranteed an employee by such Producer on or after August 1, 2007 under the terms of this Agreement, including "straight time" and "overtime" hours for any day worked. The provisions of subsections (c), (d) and (f) shall apply to this subsection.

(l) At least sixty (60) days prior to the expiration of this Agreement, the parties will meet to determine the impact of national/state health care reform and will negotiate new health care provisions accordingly.

ARTICLE 13A. Producer Retirement Plans

(a) Notwithstanding any provisions of this Agreement or of any other agreement between Metro-Goldwyn-Mayer, Inc. and Basic Crafts Unions, Metro-Goldwyn-Mayer, Inc. shall not be required to offer employment to or employ any person subject to this Agreement who shall have reached his normal retirement date and shall have retired under the provisions of the Retirement Plan for employees of Metro-Goldwyn-Mayer, Inc.

(b) Notwithstanding any provision of this Agreement or of any other agreement between Technicolor, Inc. and the Basic Craft Unions, Technicolor, Inc. shall not be required to offer employment or to employ any person subject to

this Agreement who shall have reached his normal retirement date under the provisions of the Retirement Plan for employees of Technicolor, Inc.

(c) Notwithstanding any provisions of this Agreement or of any other agreement between Twentieth Century-Fox Film Corporation and the Basic Crafts Unions, Twentieth Century-Fox Film Corporation shall not be required to offer employment to or employ any person subject to this Agreement who shall have reached his normal retirement date under the provisions of the Retirement Plan for employees of Twentieth Century-Fox Film Corporation and certain subsidiaries.

ARTICLE 13B. Loan-Out Companies

During such time as an employee is engaged by a borrowing Producer through the employee's loan-out company, the borrowing Producer shall make pension and health and CSATF contributions directly to the Motion Picture Industry Health Plan and the Motion Picture Industry Pension Plan on behalf of the employee so employed based upon hours worked or guaranteed. Contributions may not be made by loan-out companies.

ARTICLE 13C. 401(k) Plan Feasibility Study

A committee shall be established consisting of representatives of the Producers, the IATSE, the Basic Crafts Unions and the Location Managers to conduct a study of the feasibility of establishing a 401(k) Plan funded solely by employee salary deferrals for participants in the Motion Picture Industry Pension Plan. In particular, the study is to focus on the following:

- (a) Whether the establishment and administration of the plan will cause the Producers to incur increased costs.
- (b) Whether the Motion Picture Industry Pension and Health Plan would be able to administer the 401(k) Plan as a separate plan.
- (c) Whether the Plan is likely to or can be structured to satisfy all legal requirements for 401(k) plans (*e.g.*, Will it satisfy non-discrimination testing requirements? What are the consequences if it does not?)

The committee will convene as soon as reasonably practical. In the event that the IATSE chooses not to participate in the study, then the study shall be

conducted solely with the Basic Crafts Unions, the Location Managers and the AMPTP.

ARTICLE 14. Pre '60 Theatrical Pictures; Pay Television

(a) The exhibition of any motion picture by television for which a charge is paid by or assessed to or collected from the viewing audience, including subscription, telemeter, or any other method whereby a charge is paid by the viewing audience for the right to view such motion picture, is herein referred to as "pay television."

A "free television" picture is a motion picture initially released on television, other than pay television.

As to all motion pictures, it is recognized and acknowledged that the Producer has the unrestricted right to use, exhibit and market the same for any purpose, in any manner and by any method now known or hereafter developed, and that the Producer does not hereby relinquish or surrender any of its property rights therein. Except as otherwise specifically provided herein, the exhibition of a motion picture by pay television is theatrical exhibition and is merely an extension or substitute for the theatrical box office.

(b) It is expressly understood and agreed that the Basic Crafts Unions do not and will not make any claim for compensation or other payments with respect to the exhibition on any form of television (whether pay television or free television) of theatrical motion pictures, the principal photography of which commenced prior to January 31, 1960, and that, with respect to theatrical motion pictures, the principal photography of which commenced on or after such date, Producer's only obligation with respect to the exhibition of such pictures on free television is to make the payments referred to in Article 15, entitled "Post '60 Theatrical Motion Pictures," and with respect to theatrical motion pictures, the principal photography of which commenced on or after August 1, 2007, Producer's obligations shall be those contained in this Basic Agreement.

ARTICLE 15. Post '60 Theatrical Motion Pictures

(a) Theatrical motion pictures produced by Producer with employees employed by Producer under the Local #399 Agreement of 1961 between these parties, the principal photography of which commenced in the period between February 1, 1960 and January 31, 1967, both dates inclusive, which motion

pictures are released to free television, shall be governed by Article 15 of such Basic Agreement of 1961; provided, however, that as to such motion pictures, the principal photography of which commenced in the period between February 1, 1965 and January 31, 1969, both dates inclusive, Section 15 of the Local #399 Agreement of 1965 shall apply. Theatrical motion pictures, the principal photography of which commenced in the period between February 1, 1969 and January 31, 1973, shall be governed by Article 15 of the Local #399 Agreement of 1969. Theatrical motion pictures, the principal photography of which commenced in the period between February 1, 1973 and July 31, 1976, shall be governed by Article 15 of the Local #399 Agreement of 1973. Theatrical motion pictures, the principal photography of which commenced in the period between February 1, 1976 and January 31, 1979, shall be governed by Article 15 of the Local #399 Agreement of 1976. Theatrical motion pictures, the principal photography of which commenced in the period between August 1, 1979 and July 31, 1982, shall be governed by Article 15 of the Local #399 Agreement of 1979 and the Amendments thereto. Theatrical motion pictures, the principal photography of which commenced in the period between August 1, 1982 and July 31, 1985, shall be governed by Article 15 of the Local #399 Agreement of 1982. Theatrical motion pictures, the principal photography of which commenced in the period August 1, 1985 and July 31, 1988, shall be governed by Article 15 of the Local #399 Agreement of 1985. Theatrical motion pictures, the principal photography of which commenced in the period between October 31, 1988 and July 31, 1991, or the answer print for which was delivered on or after November 1, 1990 but prior to August 1, 1991, shall be governed by Article 15 of the Local #399 Agreement of 1988, as amended. Theatrical motion pictures, the principal photography of which commenced in the period between August 1, 1991 and July 31, 1994, or the answer print for which was delivered on or after August 1, 1991, shall be governed by Article 15 of the Local #399 Agreement of 1991. Theatrical motion pictures, the principal photography of which commenced in the period between August 1, 1994 and July 31, 1997, shall be governed by Article 15 of the Local #399 Agreement of 1994. Theatrical motion pictures, the principal photography of which commenced in the period between August 1, 1997 and July 31, 2001, shall be governed by Article 15 of the Local #399 Agreement of 1997. Theatrical motion pictures, the principal photography of which commenced in the period between August 1, 2001 and July 31, 2004, shall be governed by Article 15 of the Local #399 Agreement of 2001. Theatrical motion pictures, the principal photography of which commenced in the period between August 1, 2004 and July 31, 2007, shall be governed by Article 15 of the Local #399 Agreement of 2004. Theatrical motion pictures, the principal photography of which commence in the period between August 1, 2007 and July 31, 2010, shall be governed by Article 15 of the Local #399 Agreement of 2007.

Notwithstanding the wording of the second paragraph of paragraph (a) of Article 15 of the 1973 Agreement, it was the intention and understanding of the parties that the allocation of the percentage payments as provided for in paragraph (b) of said Article 15 of the 1973 Agreement was to apply to accountable receipts received by Producer between February 1, 1973 and February 1, 1976 derived from the distribution on free television of all applicable theatrical motion pictures, the principal photography of which commenced after January 31, 1960, regardless of which Agreement applies. Because of such wording, however, a Producer may have allocated certain “percentage payments” in the proportion of seventy-five percent (75%) to the Motion Picture Industry Pension Plan and twenty-five percent (25%) to the Motion Picture Health and Welfare Fund, instead of fifty percent (50%) to the Pension Plan and fifty percent (50%) to the Motion Picture Industry Retiree Health and Welfare Fund. If the Producer did so allocate “percentage payments,” such Producer shall, insofar as it is concerned, be deemed to have complied with its obligations under the applicable provisions of the 1973 Basic Agreement, but the Pension Plan shall refund to the Retiree Health and Welfare Fund one-third ($\frac{1}{3}$) of the seventy-five percent (75%) so allocated to the Pension Plan, and the Welfare Fund shall refund to the Retiree Health and Welfare Fund the whole of the twenty-five percent (25%) so allocated to the Welfare Fund.

The following provisions of this Article 15 relate and apply only to theatrical motion pictures produced by Producer with employees employed by Producer under this Agreement, the principal photography of which commenced on or after August 1, 2007, which motion pictures for the first time are, either during the term hereof or at any time thereafter, released to free television. (Such motion pictures are referred to in this Article as the “motion picture” or “motion pictures.”) In addition, the allocation of percentage payments provided for in subparagraph (b)(1) of this Article 15 shall apply to all monies payable to the Motion Picture Industry Health Plan – Retired Employees Fund (hereinafter “Retired Employees Fund”) on and after August 1, 2007 for the distribution on free television of all motion pictures referred to in this subparagraph (a), regardless of which Agreement governs.

(b) (1) As to each such motion picture, the Producer will pay nine percent (9%), hereinafter referred to as the “percentage payment,” of the Producer’s accountable receipts from the distribution of such motion picture on free television, computed as hereinafter provided, to the Retired Employees Fund.

On an annual basis during the term of this Agreement, the Alliance of Motion Picture & Television Producers, the IATSE and the Chairman of the Basic Crafts (on behalf of the Basic Craft Group), shall jointly review this

allocation in conjunction with the allocation to the Health Plan of Supplemental Markets payments. Any agreement on any reallocation of such monies mutually agreed upon by all of the parties shall become a part of this Agreement. The term "Basic Craft Group," as used herein, refers to those Unions noted in this Article 15(e).

Exhibit A of each of the Pension Plan, Individual Account Plan and Health Plan (and the mechanical issues addressed therein), as each was amended on June 28, 2006, expresses the agreements of the bargaining parties with respect to the allocation among the foregoing Plans, and the parties agree that the allocation shall be made as follows in accordance with Exhibit A to each such Plan or as Exhibit A may be amended from time to time in accordance with this subparagraph (b)(1):

Post '60s monies shall be allocated to the defined benefit plan to fund, over a twenty (20) year amortization period, the cost of the two (2) additional checks (*i.e.*, a 13th and 14th check) which were granted to all employees who retired prior to August 1, 2000 pursuant to the provisions of Article 12(f)(2) of the 2001 Producer-Studio Transportation Drivers, Local #399 Agreement, and the cost of the two additional checks (*i.e.*, a 13th and 14th check) which were granted to all employees who retired prior to August 1, 2003 pursuant to the provisions of Article 12(f)(1)(ii) of the 2004 Producer-Studio Transportation Drivers, Local #399 Agreement.

In addition, to the extent that Supplemental Markets monies are insufficient to fund the 23% increase in the defined benefit plan granted to active employees pursuant to the provisions of Article 12(f)(1)(i) of the 2001 Producer-Studio Transportation Drivers, Local #399 Agreement and the 15% increase in the defined benefit plan granted to active employees pursuant to the provisions of Article 12(f)(1)(i) of the 2004 Producer-Studio Transportation Drivers, Local #399 Agreement, Post '60's monies may be used for that purpose.

Subject to the provisions of Article 11(f)(1), all remaining Post '60s monies payable hereunder shall remain in the Retired Employees Fund.

(2) The term "Producer's gross," as used herein, means the worldwide total gross receipts of Producer derived from the distributor of such motion picture (who may be the Producer or a distributor licensed by the Producer) from licensing the right to exhibit the motion picture on free television. If the distributor of the motion picture does not distribute the motion picture directly to free television, but employs a sub-distributor to so distribute the motion

picture, then the “Producer’s gross” shall be the worldwide total gross receipts derived from such sub-distributor from licensing the right to exhibit the motion picture on free television. In case of an outright sale of the free television distribution rights for the entire world, or any territory or country, the income derived by the seller from such sale, but not the income realized by the purchaser or licensee of such rights, shall be the “Producer’s gross.” If any such outright sale shall include free television exhibition rights, and other rights, then (but only for the purpose of the computation required hereunder) the Producer shall allocate to the free television exhibition rights a fair and reasonable portion of the sales price which shall, for the purpose hereof, be the “Producer’s gross.” In reaching such determination, Producer may consider the current market value of free television exhibition rights in comparable motion pictures. If the Retired Employees Fund shall contend that the amount so allocated was not fair and reasonable, such claim may be determined by submission to arbitration as herein provided and, in the event the Board of Arbitration shall find that such allocation was not reasonable and fair, it shall determine the fair and reasonable amount to be so allocated. If the outright sale includes free television distribution rights to more than one motion picture, Producer shall likewise allocate to each motion picture a fair and reasonable portion of the sales price of the free television rights and, if the Retired Employees Fund contends that such allocation is not fair and reasonable, the question may be determined by submission to arbitration as above provided. If the Board of Arbitration shall find that such allocation was not fair and reasonable, it shall determine the fair and reasonable amount to be so allocated to each motion picture. The price received on the outright sale of only free television distribution rights in a single motion picture shall not be subject to arbitration. Sums paid to any advertising agency in connection with any exhibition of a motion picture on free television shall not be included in Producer’s gross.

(3) The term “accountable receipts,” as used herein, means the balance of the Producer’s gross after deducting an arbitrary forty percent (40%) of the Producer’s gross for distribution fees and expenses; except that in the case of an outright sale of free television distribution rights, there shall be deducted only an arbitrary ten percent (10%) of the Producer’s gross for sales commissions and expenses of sale.

(4) Producer’s obligation shall accrue hereunder only after accountable receipts are received by the Producer, but as to foreign receipts, such obligation shall accrue only when such receipts can be freely converted to U.S. dollars and are remitted to the United States and, until such time, no frozen foreign receipts shall be included in accountable receipts. Payments of amounts accruing hereunder shall be made quarterly on the basis of quarterly statements, as hereinafter provided. Frozen foreign receipts from free television shall be deemed

to be released on a first-in, first-out basis, unless the authorities of the foreign country involved designate a specific period that would render such basis inapplicable. Such released funds shall be allocated between the motion picture and other motion pictures distributed by the distributor in the same ratio that receipts derived from the distribution of the motion picture on free television within the foreign country bear to the total receipts derived from the distribution of the motion picture and all other motion pictures on free television within the foreign country, during the applicable period, unless the authorities of the foreign country involved require another method of allocation, in which case such other method shall be used. Foreign receipts shall be accounted for in U.S. dollars at the rate of exchange at which such receipts are actually converted and remitted and, 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 accountable receipts. 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 Retired Employees Fund shall be bound by any arrangements 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. No sums received by way of deposits or security need be included in Producer's gross until earned, but when the Producer is paid a non-returnable advance by a distributor, such advance shall be included in the Producer's gross.

(5) If any license or outright sale of exhibition rights to the motion picture on free television 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.

(6) Such payments made hereunder to the Retired Employees Fund 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.

(7) 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 Retired Employees Fund written reports, as prescribed by the Retired Employees Fund, showing the Producer's gross received from the sale, lease, license and distribution (whether by Producer or a distributor) of each such motion picture on free television. Such reports shall be furnished quarterly during each

fiscal or calendar year 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 Retired Employees Fund. Each such quarterly statement shall designate the title of the motion picture involved. On request, the Producer shall make available to the Retired Employees Fund all accounting statements delivered by a distributor to the Producer, but only insofar as such statements relate to the Producer's gross. The Retired Employees Fund 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 the 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.

(8) If the Producer shall sell, assign, transfer or otherwise dispose of the distribution rights to such motion picture on free television, or shall license the distribution rights to the motion picture on free television, Producer may obtain from the buyer, licensee or distributor a separate agreement, made expressly for the benefit of the Retired Employees Fund as herein provided, requiring such buyer, licensee or distributor to comply with the provisions of this Article 15. 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 _____ that all
(insert name of Producer)
theatrical motion pictures covered by this Agreement are
subject to the provisions of Article 15 of the “Producer - Local
#399 Agreement of 2007” relating to payments to the Retired
Employees Fund on release of a theatrical motion picture to
free television; and the said buyer hereby agrees, expressly for
the benefit of the Retired Employees Fund, to abide by and
perform the provisions of Article 15 of said Agreement and
make said payments required thereby. It is expressly
understood that the rights of Buyer to exhibit or license the
exhibition of such motion pictures on free television shall be
subject to and conditioned upon the payment to the Retired
Employees Fund, as provided in Article 15 of said Agreement,
and it is agreed that said Retired Employees Fund shall be

entitled to injunctive relief and damages against Buyer in the event such respective 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 pictures on free television within the entire territory for which Buyer is granted such rights and the Retired Employees Fund shall have the right at all reasonable times to inspect such records. The undersigned shall give the Retired Employees Fund prompt written notice of the date on which each motion picture covered hereby is first telecast on free television. An inadvertent failure to comply with said requirement of notice shall not constitute a default by the undersigned hereunder, provided such failure is cured promptly after notice thereof from the Retired Employees Fund.”

Producer agrees to give notice to the Retired Employees Fund within thirty (30) days of each sale, transfer or license of the distribution rights to such a motion picture on free television, with the name and address of the buyer, assignee or distributor, and to deliver to the Retired Employees Fund 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 (8) shall in no event constitute a default by the Producer hereunder or a breach of this Agreement, provided that such failure is cured promptly after notice thereof from the Retired Employees Fund.

Upon delivery of such assumption agreement, and on condition that the Retired Employees Fund 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 Retired Employees Fund for the keeping of any such records or the required payments insofar as they relate to the broadcast of the motion picture on free television; and the Retired Employees Fund agrees to look exclusively to the party last executing such an assumption agreement for the keeping of such records and payments.

(9) With respect to such motion picture, Producer agrees either to:

(i) 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 Retired Employees Fund, 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 thereby obtains title to the motion picture and subsequently exhibits the motion picture on free television, 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 15 with respect to payments to the Retired Employees Fund thereafter becoming due and payable hereunder; provided, however, that nothing herein contained shall prevent such mortgagee, pledgee, lien or security holder who has acquired title to the motion picture 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 (i), the rights of the Retired Employees Fund shall be subordinate to the rights of such mortgagee, pledgee, lien or security holder; or

(ii) in the alternative, be bound by the provisions of this Article 15 with respect to payments to the Retired Employees Fund, if any, due after such foreclosure shall have been made. In the event Producer elects this alternative, the provisions of subsection (i) above shall be inapplicable, and if the provisions referred to in subsection (i) 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 (ii).

In the event of a foreclosure referred to in subsection (i) 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 15 with respect to payments due hereunder, to the same extent as the mortgagee, pledgee, lien or security holder under subsection (i) 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 Retired Employees Fund under subsection (i) above; it being understood that the Retired Employees Fund shall be entitled to such respective payments but once.

The foregoing provisions of this subparagraph (9) shall not apply to any motion picture subject to any security instrument in existence on January 31, 1965.

(10) If, after January 31, 1976, 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 or for the furnishing of all the employees covered hereunder who are to be used in such theatrical motion picture (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 Retired Employees Fund that the independent producer will pay, on behalf of Producer, in the manner herein provided, the amounts, if any, required to be paid under the provisions of this Article 15 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 on free television, the Producer shall be liable and responsible for the payments, if any, required to be made under the provisions of this Article 15 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 on free television, 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 15. The Producer will notify the Retired Employees Fund of any and all such independent contracts entered into by the Producer.

(c) With respect to theatrical motion pictures covered under this Article 15 and notwithstanding any provision in section (b) above to the contrary, the following shall govern the computation and remittance of the “percentage payment” as that term is defined in section (b) above:

(1) Definitions. For purposes of this section (c) 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 nine percent (9%) of accountable receipts by a fraction whose numerator consists of the total below-the-line labor cost of individuals subject to the Basic Agreement or hired from the jurisdiction of the Union Locals referred to in section (e) 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 Producer and the West Coast Studio Locals or between Producer and the Unions referred to in section (e) 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 the Basic Agreement” and “employees employed by Producer under this Agreement” include all persons working on the motion picture under the terms of the IATSE Basic Agreement or hired from the jurisdiction of union locals referred to in section (e) 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 the Basic Agreement” or “Los Angeles production crew” as those terms are used in section (c)(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 section (e) 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 the IATSE Basic 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 section (e) 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 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 the Basic 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 subsection (c)(3)(iii) below, percentage payments on domestic pictures will be nine percent (9%) of accountable receipts.

(iii) Percentage payments on a domestic picture shall be made on a prorated basis in either of the following events:

(A) If a majority of the shooting days of principal photography on the motion picture occurred inside the following states - Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah, Washington and Wyoming - and the Los Angeles production crew, as defined above, consists of twenty-nine (29) or fewer individuals. 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; or

(B) 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.

The Basic Crafts Unions shall have the right to reinstate the conditions for proration set forth in the Studio Transportation Drivers, Local #399, Agreement of 1988, as amended, if, after study and review by a joint Basic Crafts Union-AMPTP Committee, it is determined that the foregoing proration provisions have an adverse economic impact on the Pension and Health Plans. If the proration provisions under the 1988 Agreement, as amended, are reinstated, such provisions shall apply to domestic motion pictures which commence

principal photography more than one hundred twenty (120) days after termination of the proration provisions set forth above.

(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 (c)(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 individuals on the Los Angeles production crew; the number and job classifications of those individuals excluded pursuant to the provisions of subsection (c)(3)(iii)(A) above; the number of shooting days of principal photography occurring in the states listed in subsection (c)(3)(iii)(A) above; and 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 subsection (c)(3)(iii)(B) 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 subsection (c)(3)(iii)(B) above; and 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 Retired Employees Fund shall be reimbursed by the Producer for all reasonable fees and expenses incurred by the Retired Employees Fund in performing said audit.

(d) (1) Producer will furnish to the Retired Employees Fund written reports showing the Producer's gross received from the sale, lease, license and distribution (whether by Producer or a distributor) on free television of each motion picture subject to the provisions of this Article. In the written reports filed with the Retired Employees Fund, 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 subsection (c)(2) or pursuant to subsection (c)(3)(iii)(A) or pursuant to subsection (c)(3)(iii)(B) above. Such reports shall be furnished quarterly during each fiscal year 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 Retired Employees Fund. Each such quarterly

statement shall designate the title of the motion picture involved. On request, the Producer shall make available to the Retired Employees Fund all accounting statements delivered by a distributor to the Producer, but only insofar as such statements relate to the Producer's gross. The Retired Employees Fund 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 subsection (b)(8) 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 quarterly period during which no Producer's gross from the motion picture is received by the Producer.

(2) For each motion picture produced by Producer which the Producer plans to prorate (whether proration is being applied pursuant to subsection (c)(2) or pursuant to subsection (c)(3) above) for three (3) years after either the date of the first quarterly report showing a percentage payment on such motion picture or the receipt by the Retired Employees Fund of the Producer's written request for audit of the percentage payments due, Producer shall maintain and make available to the Retired Employees Fund 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 the Basic 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 the Basic Agreement but who worked on the motion picture in job categories referred to either in the Basic 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 section (e) below; the total below-the-line labor costs of individuals subject to the Basic 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 the Basic 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 section (e) below.

(3) As to any motion picture subject to section (c) above for which Producer assumes the obligation to make percentage payments pursuant to subsection (b)(8) above, if Producer wishes to prorate its percentage payments for

such motion picture, it shall obtain the records provided for in subsection (d)(2) above from the Producer of such motion picture.

(e) The provisions of this Article 15 were jointly negotiated by the following unions, as a group, for the benefit of the Retired Employees Fund:

International Alliance of Theatrical Stage Employes and Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada; Studio Transportation Drivers, Local #399 of International Brotherhood of Teamsters; Local #40 of International Brotherhood of Electrical Workers; Local #724 of the Laborers' International Union of North America; 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 Pipe Fitting Industry of the 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 Retired Employees Fund for the exhibition on free television of Post '60 Theatrical Motion Pictures, is and shall be deemed to be a reference to the "percentage payment" as set forth in this Article 15, which amount is the only amount, in the aggregate, which the Producer and all such unions have agreed upon for the benefit of the Retired Employees Fund.

The compliance by Producer with the conditions set forth in this Article 15 likewise constitutes compliance as to all the unions.

(f) Notwithstanding anything herein to the contrary, the parties hereby confirm the following understanding and practices of the Producers with respect to the Post '60s provisions:

(1) Article 15 does not require a percentage payment to be made with respect to motion pictures on which the only employees employed under the Basic Agreement performed post-production (including editorial) work; and

(2) Article 15 does not require percentage payments to be made with respect to motion pictures which are produced by a producer which is not signatory to the Basic Agreement or the Basic Crafts Agreements.

ARTICLE 16. Policy, Applicability of Agreement and Subcontracting

(a) The purposes of this Article are to protect and preserve the work opportunities available to employees covered by this Agreement who have traditionally and historically performed the work covered by the classifications and job duties set forth in the IATSE Basic Agreement, the Supplemental Videotape Agreement, and the West Coast Studio Local and Basic Crafts Agreements.

These purposes are accomplished as follows:

(b) Policy

It is the policy of the Producer not to evade intentionally the provisions of the IATSE Basic Agreement, the Supplemental Videotape Agreement, and the West Coast Studio Local and Basic Crafts Agreements by participating in the production of a motion picture, by providing financing or the guarantee thereof for the production of said motion picture, which picture has direct labor costs for bargaining unit work (other than a minimal amount) less favorable than those provided for under the IATSE Basic Agreement, the Supplemental Videotape Agreement, and the West Coast Studio Local and Basic Crafts Agreements or other applicable collective bargaining agreements.

Nothing in this Article shall be deemed to extend the scope or jurisdiction of the IATSE Basic Agreement, the Supplemental Videotape Agreement, the West Coast Studio Local or the Basic Crafts Agreements.

Negative pick-up transactions, distribution transactions and production-distribution transactions which are *bona fide* are not covered by this Article 16, except that in the event the Producer enters into a production-distribution transaction, by providing financing or the guarantee thereof for the production of a motion picture under this Section, then the Producer shall notify the IATSE and Basic Crafts in writing at least thirty (30) days prior to the commencement of principal photography, providing the name of such motion picture, the name of the Producer and corporate entity and/or principals. If there are unusual circumstances in which the Producer cannot give such thirty (30) days notice, the Producer shall give at least ten (10) days notice prior to the commencement of principal photography.

(c) Applicability of Agreement

This Agreement shall be binding on the signatories hereto and all parties who by reason of mergers, consolidations, reorganizations, sale, assignment or the like shall succeed to, or become entitled to, a substantial part of the production business of any signatory, in and limited to Los Angeles County, California.

(d) Subcontracting

The parties recognize the existence of past subcontracting practices within the multi-employer bargaining unit. The parties agree that the rights, limitations and restrictions upon subcontracting practices set forth in the IATSE West Coast Studio Local Agreements and the Basic Crafts Agreements shall remain in effect.

The Producer, as a matter of preservation of work for employees who have historically and traditionally performed work under the crafts and classifications as set forth in the IATSE Basic Agreement, the Supplemental Videotape Agreement, the West Coast Studio Local Agreements and Basic Crafts Agreements, agrees that as to bargaining unit work of a type which has not heretofore been subcontracted in the multi-employer bargaining unit, the Producer will subcontract such bargaining unit work to any other person, corporation, joint venture or entity only: (1) if the Producer first notifies the IATSE and Chairman of the Basic Crafts, when applicable, in writing of its intention to subcontract, and (2) the direct labor costs of the person, corporation, joint venture or entity who will perform such work under said subcontract are not less than the direct labor costs set forth in the IATSE Basic Agreement, the Supplemental Videotape Agreement, the West Coast Studio Local and Basic Crafts Agreements or other applicable collective bargaining agreements; or (3) if the Producer lacks the requisite technology, facilities or equipment to perform the work.

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

(f) A complaint by the IATSE or the Basic Crafts of a violation of this Article shall be submitted within fifteen (15) days after a written request to a special Producer-IATSE or Basic Crafts Committee for a resolution. The Producer's representation on the Committee shall consist of the AMPTP and the Producer involved in the complaint. Upon agreement by the AMPTP, the

Producer involved and the IATSE or the Basic Crafts, the decision of the Committee shall be final and binding on the Producer involved, the IATSE or the Basic Crafts. If no resolution is reached by the Committee, the IATSE or the Basic Crafts shall have the right to submit the dispute to a final and binding regular arbitration procedure as set forth in Article 7(b) of this Agreement.

ARTICLE 17. Charitable Contributions

Deductions made by Producer from the employee's pay check for charitable institutions shall be paid by Producer to such institutions within two (2) weeks after such deductions are made from the pay check. The Basic Crafts shall give the Producer notice of any such failure to pay the institution and if the Producer fails to make such required payment within seven (7) days after such notice, such failure shall be deemed to be a breach of this Agreement by such delinquent Producer.

As to those Producers who, by prior arrangement with the respective institution or institutions, make such payments on a quarterly or other basis, then such above-mentioned two (2) week period shall be extended to the quarterly or other time basis as so arranged.

ARTICLE 18. Contract Services Administration Trust Fund

(a) Producer shall pay to the Industry Pension Plan through its Administrator, as agent for transmittal to the Contract Services Administration Trust Fund ("CSATF"), for the period commencing August 1, 2007 to and including July 31, 2010, twenty-six cents (\$.26) per hour for each hour worked by or guaranteed an employee by such Producer on or after August 1, 2007 for employees who are subject to the Retired Employees Fund (on the same weekly and daily formula as the contributions paid under the Retired Employees Fund); provided, however, that in place and stead of the above cents per hour payments, such payments with respect to employees of laboratories shall be at the rate of three-quarters of one cent ($3/4\text{¢}$) per hour for the period commencing August 1, 2007 to and including July 31, 2010.

The Producers have established CSATF for the purpose of providing a Fund to be used for the administration of apprenticeship and other training programs within the motion picture industry; maintenance of appropriately classified and delineated seniority rosters within the motion picture industry; administration of safety programs and studies within the motion picture industry;

administering and financing physical examinations in connection with any uniform industry retirement programs; and, generally, for the carrying on of similar such programs for the administration of other industry-wide services, studies or education. Such Trust Fund shall be administered by a Board of Trustees who shall be appointed by the Alliance of Motion Picture & Television Producers (hereinafter referred to as the “AMPTP”).

The parties agree that CSATF shall provide required safety training to individuals listed on the Industry Experience Roster created pursuant to Paragraph 62(b) of this Agreement. The Union shall be given an opportunity to provide input to CSATF with respect to the safety training courses required for each of its classifications and the curriculum for those courses.

A \$15.00 per hour stipend shall be paid to any individual for attending CSATF required safety training classes. The stipend shall be paid to each individual in a single check within thirty (30) days following completion of all safety classes required for that individual’s job classification. It is understood that any check so issued shall include payment for course A of the Safety Pass Program, whether completed before or after the individual was placed on the Industry Experience Roster.

(b) CSATF shall provide Third Step grievance services.

(c) The money received by the Administrator of the Industry Pension Plan from such payments, as above provided, shall be kept separate and apart from any funds of the Industry Pension Plan and shall forthwith be paid to CSATF.

Such money so paid by Producer shall not constitute nor be deemed to be wages due to the individual employees nor shall said money so paid be in any manner liable for or subject to the debts, contracts, liabilities or torts of such employees.

The Producers shall provide the Basic Crafts with the CSATF certified annual financial statements and its quarterly activity statement.

Upon a joint request by the IATSE and the Basic Crafts, the committee of the IATSE and Basic Crafts, not to exceed five (5) members, shall meet with the Executive Committee of the CSATF Board of Trustees to discuss CSATF quarterly activities statement and other matters related to CSATF that may arise. Such a meeting shall be held on an ad hoc basis.

(d) All Industry Experience Rosters of those employees subject to CSATF are to be administered under CSATF.

As a condition of placement on any Seniority Roster, employees shall be required to pass a physical examination by medical doctors designated by CSATF. In addition, employees shall be required to complete Course A of the Safety Pass Program before being placed on the Industry Experience Roster.

(e) The Producers will establish a procedure whereby any interested party may contact CSATF to obtain information relative to the past employment of an individual on a specific motion picture. In response to such an inquiry, CSATF will make a good faith effort to contact the involved Producer and secure such information on behalf of the interested party. The Producer, on its part, will make a good faith effort to respond to such inquiries by CSATF.

The provisions of this Article are made expressly for the benefit of CSATF.

ARTICLE 19. Technological Change

(a) Definition of Technological Change

As used herein, the term “technological change” means the introduction of any new or modified devices or equipment for the purpose of performing any work by employees covered by this Agreement which directly results in a change in the number of employees employed under this Agreement or which results, with respect to the performance of work in any classification hereunder, in materially changing the job description thereof, if any, provided herein, or in requiring substantially different training, qualification or skills therefor.

(b) Producer’s Right to Institute Technological Changes

The parties hereto agree that Producer has the unrestricted right to make technological changes and that such right shall not be subject to grievance or arbitration or any other proceeding. However, Producer’s right to make technological changes shall be subject to the provisions of subparagraphs (c), (d), (e) and (f) of this Article 19.

(c) Notice of Technological Change

If Producer proposes to make any technological change, it shall give written notice thereof to Union and to any other Union affected by such change. Such notice shall be given as soon as possible but not less than thirty (30) days prior to instituting such change.

(d) Retraining

If any technological change permanently displaces any person in the performance of his job classification for Producer, and

(1) such person, as of the date of such displacement, is entitled under the provisions of Paragraph 68 hereof (“Severance Pay”) to be credited with at least one (1) “qualified year” arising out of his employment by Producer; and

(2) such person is qualified to be retrained for an available job resulting from such technological change or for other jobs which Producer has available within Union’s jurisdiction, or within the jurisdiction of any other Union which is a party to the Memorandum of Agreement of 1965, or for any other available job opportunity with Producer, then:

Producer agrees to endeavor to retrain such person for such available job at Producer’s expense, in which event the provisions of subparagraph (e), below, shall not apply. Union agrees, notwithstanding anything in this Agreement to the contrary, to permit such retraining and to cooperate with Producer with respect thereto. Union further agrees, for the benefit of other Union parties to the Memorandum of Agreement of 1965, in consideration of the inclusion in their respective contracts of a clause identical with this Article 19, to permit retraining within this Union’s jurisdiction of employees displaced from jobs within the jurisdiction of such other Union parties; provided, however, that such other Union parties’ displaced employees are qualified for retraining in this Union’s jurisdiction and provided, further, that such permission shall be on condition (applicable to this Article 19 only) that this Union has been notified of such available job and within forty-eight (48) hours thereafter (excluding Saturdays, Sundays and holidays) is unable to furnish competent available persons on the Industry Experience Roster or Studio Seniority Roster, if any (applicable to this Union), to fill such available job. Any such person offered retraining pursuant to this subparagraph (d) shall, of course, have the right to reject the same, but any such rejection shall discharge Producer’s obligations under this Article 19 unless the job opportunity for which Producer offered retraining was at a lower rate of pay than the job from which employee is being displaced.

(e) Displacement Pay

If any such technological change permanently displaces any person in the performance of his job classification for Producer, and

(1) such person, as of the date of such displacement, is entitled under the provisions of Paragraph 68 hereof (“Severance Pay”) to be credited with at least one (1) “qualified year” arising out of his employment by Producer; and

(2) such person makes written application to Producer within thirty (30) days after such displacement to receive displacement pay (as herein defined), then:

Producer shall pay him the amount of compensation set forth in the following table and, upon such payment, he shall be removed from the Industry Experience Roster, so far as such Producer is concerned, and from the Studio Seniority Roster, if any.

Qualified Years as of the Date of Displacement	Number of Weeks of Displacement Pay Payable
1 or 2	1
3	1½
4	2
5 to 9 (inclusive)	3
10 or 11	5
12 or 13	6
14 or 15	7
16 or 17	8
18 or 19	9
20 or more	10

The payment of displacement pay, as above provided, shall be separate and apart from any obligation Producer may have to pay severance pay to such displaced person under the provisions of Paragraph 68 hereof (“Severance Pay”).

Notwithstanding anything in this subparagraph (e) to the contrary, no such displaced person shall be eligible for displacement pay if:

(i) Producer offers the training referred to in subparagraph (d) above and such person rejects it, unless the training rejected is for a job at a lower rate of pay, or

(ii) such person is offered a job by Producer at an equal or better rate of pay, or

(iii) such person accepts any job with Producer even though such job is at a lower rate of pay.

(f) Negotiation of New Rates

If any technological change results, with respect to the performance of work in any classification hereunder, in materially changing the job description thereof, if any, provided herein, or in requiring substantially different training, qualification or skills therefor, and either the Producer or the Union desires to negotiate a new rate or classification for such a job, the party desiring such negotiation shall give written notice to such effect to the other party within thirty (30) days following the date upon which any such job is so affected. Upon receipt of such notice, the parties shall immediately endeavor to agree upon the proper classification or rate for such job. Any such agreement shall be final and binding upon the parties concerned. If no such agreement is reached within thirty (30) days after such written notice is received, either party to this Agreement may, within thirty (30) days thereafter, invoke Step Two of the grievance procedure provided in Article 7 hereof or, if they mutually agree to waive Step Two, may proceed immediately to Step Three of the grievance procedure so provided. The rate or classification determined by such agreement or by any arbitration pursuant to Step Three of the grievance procedure shall be effective retroactive to the date upon which any employee commenced performing services in any such affected job, but no reduction in rate shall be retroactive.

(g) Experimental Technological Changes

The provisions of subparagraphs (c), (d), (e) and (f) above shall not apply to any experimental technological change except that if any such change becomes other than experimental and any increased rate for a job affected thereby is negotiated pursuant to subparagraph (f) above, such increased rate shall be retroactive to the date upon which an employee commenced performing the changed services in such affected job. As used herein, the term “experimental

technological change” shall mean a technological change which is instituted by Producer for the primary purpose of determining, under operating conditions, the feasibility and adequacy of performance of any new or modified device or equipment; provided, however, that the change shall no longer be considered experimental after the date upon which its operation by persons under the jurisdiction of this Agreement is no longer subject to supervision by the technicians or engineers concerned with its development. Nothing in this subparagraph (g) shall be construed to deprive Union of jurisdiction over any job over which it otherwise has jurisdiction hereunder.

(h) Disputes Concerning Retraining, Displacement Pay and Negotiation of New Rates

If a dispute arises between Union and Producer with respect to any determination required by subparagraphs (d), (e), (f) or (g) of this Article 19, such dispute shall be subject to the grievance procedure set forth in Article 7 of this Agreement, but any award arising out of such grievance or arbitration shall be limited to the enforcement of the provisions of said subparagraphs hereof and shall not affect Producer’s right to make technological changes.

ARTICLE 20. Implementation of Work Training and/or Apprenticeship Programs

The Producers and the Union agree to cooperate in the establishment of work training and/or apprenticeship programs with respect to appropriately agreed-upon work classifications subject to this Agreement, in conformance with all applicable affirmative action programs and specifically including the classifications of work covered under this Agreement. A committee shall be convened for the purpose of formulating and implementing training programs.

ARTICLE 21. Supplemental Markets

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

(1) The principal photography of which commenced on or after August 1, 2007, which motion pictures are, either during the term hereof or at any time thereafter, released in Supplemental Markets (as defined below); and

(2) Produced with employees employed by Producer under this Agreement.

(3) Definition

The term “Supplemental Markets,” as used in this Agreement, means only: The exhibition of motion pictures by means of cassettes (to the limited extent provided in subparagraph (i) of this paragraph (3)), or pay television, as those terms are hereafter defined in this paragraph (3), and the exhibition of television motion pictures on any commercial carrier such as commercial airlines, trains, ships and buses (referred to herein as “in-flight”).

(i) Cassettes:

For the purposes of this Article, a cassette is any audio-visual device, including without limitation, cassette, cartridge, phonogram or other similar audio-visual device now known or hereafter devised, containing a motion picture (recorded on film, disc, tapes or other material) and designed for replay through a television receiver or comparable device. The sale or rental of cassettes for replay through a television receiver or comparable device in the home or in closed-circuit use, such as in hotel rooms, constitutes “Supplemental Markets.”

(ii) Pay Television

The term “Pay Television,” as used in this Article, shall mean exhibition on a home-type television screen by means of telecast, cable, closed circuit, satellite to home or CATV when a majority of licensed systems meet the following tests:

(a) a separate channel is provided for which the subscriber pays a separate fee (which fee is a substantial charge relative to other charges made to the subscriber) for that channel; and/or

(b) the subscriber pays for the motion picture or motion pictures selected (except that a motion picture or motion pictures selected for which only a token charge is made shall not be considered pay television); and/or

(c) the subscriber pays a fee for an encoded telecast, which fee is a substantial charge relative to other fees paid for encoded telecasts.

The foregoing tests cover those types of services and systems which exist in the industry today and are commonly understood in the industry today to be pay television services or systems.

The term “pay television,” as used in this Article, shall also include the exhibition of motion pictures through a television receiver or comparable device by means of telecast, cable, closed circuit, satellite or CATV for which the viewing audience (whether by the individual viewer or by the hotel, motel, hospital or other accommodation where the viewer is) pays to receive the program by making a separate payment for such specific program. Exhibition in theaters or comparable places by such means is theatrical exhibition and shall not be considered pay television.

The term “Supplemental Markets” does not include the exhibition of a motion picture by cassette or otherwise over a television broadcast station or in theatrical exhibition, and for this purpose “theatrical exhibition” includes the educational market, the exhibition of theatrical motion pictures on any commercial carrier (referred to herein as “in-flight”), such as commercial airlines, trains, ships and buses, and other uses which have been traditionally considered theatrical exhibition of theatrical motion pictures, other than the specific home use hereinabove defined as the “Supplemental Markets” for cassettes.

Whenever reference is made in this Agreement to pay television, such reference shall be deemed to include only those uses of motion pictures as to which a charge is actually made to the subscriber for the program viewed, or for which the subscriber has the option, by additional payment, to receive special programming over one or more special channels. When no program charge or special channel charge is made to the subscriber in addition to the general charge, the transmission of motion pictures by telecast, cable, closed circuit, satellite or CATV is free television exhibition for the purposes of this Agreement, and such exhibition shall not be considered Supplemental Markets exhibition.

The Producers have agreed to the inclusion of “pay television” in the “Supplemental Markets” because, under the present pattern of distribution of motion pictures, “pay television” is supplemental to the primary market. The Producers reserve the right in future negotiations to contend that the pattern of release has changed so that “pay television” is no longer a Supplemental Market but constitutes or is a part of the primary market of distribution of motion pictures, and that, therefore, no additional payment pursuant to this Article 21 should be made with respect to the release of motion pictures (including those covered by this Agreement) in said market. Nothing herein shall limit the scope of negotiations on said subject. Furthermore, if the Producers in their collective

bargaining agreement with the Directors Guild of America, Writers Guild of America or Screen Actors Guild negotiate a provision treating pay-per-view exhibitions as part of the primary market, rather than supplemental markets, then such provision shall automatically be deemed included hereunder, based on a comparable formula as may have been applied in such DGA, WGA or SAG Agreement.

(b) (1) As to such motion pictures distributed in Supplemental Markets other than by means of cassettes, the following shall apply:

(i) The Producer will pay five and four-tenths percent (5.4%) (hereinafter referred to as the “percentage payment”) of the “Producer’s gross” received therefrom, computed as hereinafter provided.

(ii) The term “Producer’s gross,” as used herein, means the worldwide total gross receipts derived by the distributor of the motion picture (who may be the Producer or a distributor licensed by the Producer) from licensing the right to exhibit the motion picture in Supplemental Markets other than by means of cassettes and including, in the case of a “foreign territorial sale” by the Producer, the income received from such sale by Producer but not the income received by “purchaser” or the “licensee.”

(2) As to such motion pictures distributed in Supplemental Markets by means of cassettes, the following shall apply:

(i) The Producer will pay six and seventy-five hundredths percent (6.75%) of the “Producer’s gross,” as defined below, until the Producer’s gross equals one million dollars (\$1,000,000). Thereafter, Producer shall pay eight and one-tenth percent (8.1%) of “Producer’s gross” in excess of one million dollars (\$1,000,000).

(ii) If the Producer is the Distributor or the Distributor is owned by or affiliated with the Producer, the “Producer’s gross” derived from the distribution of such motion pictures 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 “Producer’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.

If the Distributor is not the Producer and is not owned by or affiliated with the Producer, the "Producer's gross" shall be one hundred percent (100%) of the fees received by the Producer from licensing the right to distribute such motion picture by cassettes.

(3) The Producer's gross shall not include:

(i) Sums realized or held by way of deposit, as security, until and unless earned, other than such sums as are non-returnable;

(ii) 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);

(iii) 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;

(iv) 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.

(v) Sums paid to any advertising agency in connection with any exhibition of a motion picture in Supplemental Markets.

(4) Such monies shall be allocated as follows:

Except as provided below, effective August 1, 2007, such percentage payment shall be paid, as hereinafter provided, to the Active Employees Fund of the Motion Picture Industry Health Plan.

Notwithstanding anything to the contrary in subparagraph (a) above, such allocation shall apply to monies payable on and after August 1, 2007 for the distribution of motion pictures in Supplemental Markets, regardless of which Basic Agreement applies.

On an annual basis during the term of this Agreement, the Alliance of Motion Picture & Television Producers, the IATSE and the Chairman of the Basic Crafts (on behalf of the Basic Craft Group) shall jointly review this allocation in conjunction with a review of the allocation of Post-'60s monies. Any agreement on any reallocation of such monies mutually agreed upon shall become a part of this Agreement. The term "Basic Craft Group," as used herein, refers to those unions noted in this Article 21(e).

Exhibit A of each of the Pension Plan, Individual Account Plan and Health Plan (and the mechanical issues addressed therein), as each was amended on June 28, 2006, expresses the agreements of the bargaining parties with respect to the allocation among the foregoing Plans, and the parties agree that the allocation shall be made as follows in accordance with Exhibit A to each such Plan or as Exhibit A may be amended from time to time in accordance with this subparagraph (b)(4):

During each year of this Agreement, Supplemental Markets contributions shall be allocated to the defined benefit plan: (i) in that amount determined by the actuaries to be necessary to pay the actuaries' recommended contribution requirement for the annual actuarial cost, amortized over a twenty (20) year period, to fund the twenty-three percent (23%) increase in the benefit accrual formula, effective August 1, 2000, granted to active employees who work on or after August 1, 2000 pursuant to the provisions of Article 12(f)(1)(i) of the 2001 Producer-Studio Transportation Drivers, Local #399 Agreement; (ii) to fund a five (5) year vesting system in the defined benefit plan for active employees; and (iii) to fund the fifteen percent (15%) increase in the benefit accrual formula, effective August 1, 2003, granted to active employees who work on or after August 1, 2003 pursuant to the provisions of Article 12(f)(1)(i) of the 2004 Producer-Studio Transportation Drivers, Local #399 Agreement.

(5) 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.

(6) Allocation of Producer's Gross

If any agreement for distribution in the Supplemental Market includes more than one motion picture, or includes both Supplemental Market rights and other rights, the Producer shall make a reasonable allocation for the purpose of determining payments due hereunder. If the Health Plan contends that such allocation is not reasonable, then such claim shall be submitted to arbitration.

(7) Producer's obligation shall accrue hereunder only after "Producer's gross" is received by the Producer. Payments of amounts accruing hereunder shall be made annually on the basis of annual 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 Health Plan 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.

(8) If any license or outright sale of exhibition rights to the motion picture in Supplemental Markets 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.

(9) Such payments made hereunder to the Health Plan 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.

(10) 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 each such motion picture in such Supplemental Markets. Such reports shall be furnished quarterly during each fiscal or calendar year 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 the 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.

(11) If the Producer shall sell, assign, transfer or otherwise dispose of the distribution rights to such motion picture in such Supplemental Markets, or shall license the distribution rights to the motion picture in such Supplemental Markets, Producer may obtain from the buyer, licensee or distributor a separate agreement, made expressly for the benefit of the Health Plan, requiring such buyer, licensee or distributor to comply with the provisions of this Article 21. 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 _____ that all
(insert name of Producer)
motion pictures covered by this Agreement are subject to the
provisions of Article 21 of the “Producer – Studio
Transportation Drivers, Local #399 Agreement of 2007”
relating to payments to the Health Plan on release of a motion
picture to Supplemental Markets and the said Buyer hereby
agrees, expressly for the benefit of the Motion Picture Industry
Health Plan (herein referred to as the “Health Plan”) to abide
by and perform the provisions of said Basic Agreement and
make said payments required thereby. It is expressly
understood and agreed that the rights of Buyer to exhibit or
license the exhibition of such motion picture in such

Supplemental Markets shall be subject to and conditioned upon the payment to the Health Plan, as provided in Article 21 of said Agreement, and it is agreed that said Health Plan shall be entitled to injunctive relief and damages against Buyer in the event 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 pictures in such Supplemental Markets within the entire territory for which Buyer is granted such rights and the Health Plan shall have the right at all reasonable times to inspect such records. The undersigned shall give the Health Plan prompt written notice of the date on which each motion picture covered hereby is first released in such Supplemental Markets. 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 Health Plan.”

Producer agrees to give notice to the Health Plan within thirty (30) days of each sale, transfer or license of the distribution rights to such a motion picture for Supplemental Markets, with the name and address of the Buyer, assignee or distributor, and to deliver to the Health Plan 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 (11) shall in no event constitute a default by the Producer hereunder or a breach of this Agreement, provided that such failure is cured promptly after notice thereof from the Health Plan.

Upon delivery of such assumption agreement, and on 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 Health Plan for the keeping of any such records or the payment required hereunder insofar as they relate to the exhibition of the motion picture in Supplemental Markets, and the Health Plan agrees to look exclusively to the party last executing such an assumption agreement for the keeping of such records, payment and compliance with credit obligations.

(12) With respect to such motion picture, Producer agrees either to:

(i) 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 Health Plan, 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 thereby obtains title to the motion picture and subsequently exhibits the motion picture in Supplemental Markets, 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 21 with respect to payments to the Health Plan 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 (i), the rights of the Health Plan hereunder shall be subordinate to the rights of such mortgagee, pledgee, lien or security holder; or

(ii) in the alternative, be bound by the provisions of this Article 21 with respect to payments to the Health Plan, if any, due after such foreclosure shall have been made. In the event Producer elects this alternative, the provisions of subsection (i) above shall be inapplicable, and if the provisions referred to in subsection (i) 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 (ii).

In the event of a foreclosure referred to in subsection (i) 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 21 with respect to payments due hereunder, to the same extent as the mortgagee, pledgee, lien or security holder under subsection (i) 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 Health Plan under subsection (i) above; it being understood that the Health Plan shall be entitled to such payments but once.

The foregoing provisions of this subparagraph (12) shall not apply to any motion picture subject to any security instrument in existence on the effective date of this Agreement.

(13) 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 Health Plan 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 21 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 Supplemental Markets, the Producer shall be liable and responsible for the payments, if any, required to be made under the provisions of this Article 21 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 21. The Producer will notify the Health Plan of any and all such independent contracts entered into by the Producer.

(14) If Producer increases the present Supplemental Markets “percentage payments” amount of “Schedule of Payments” in any other collective bargaining agreement to which the Producer is or becomes a party (*e.g.*, actors), then the five and four-tenths percent (5.4%) percentage payment, the six and seventy-five hundredths percent (6.75%) percentage payment and the eight and one-tenth percent (8.1%) percentage payments provided above in this Supplemental Markets provision shall be correspondingly increased.

(c) With respect to theatrical motion pictures covered under this Article 21 and notwithstanding any provision in section (b) above to the contrary, the following shall govern the computation and remittance of the “percentage payment” as that term is defined in section (b) above:

(1) Definitions. For purposes of this section (c) 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 five and four-tenths percent (5.4%) or six and seventy-five hundredths percent (6.75%) or eight and one-tenth percent (8.1%), whichever is applicable, of “Producer’s gross” by a fraction whose

numerator consists of the total below-the-line labor cost of individuals subject to the Basic Agreement or hired from the jurisdiction of the union locals referred to in section (e) 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 Basic 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 section (e) 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 the Basic Agreement” and “employees employed by Producer under this Agreement” include all persons working on the motion picture under the terms of the Basic Agreement or hired from the jurisdiction of union locals referred to in section (e) 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 the Basic Agreement” or “Los Angeles production crew” as those terms are used in subsection (c)(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 section (e) 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 Basic 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 section (e) 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 this 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 the Basic 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 subsection (c)(3)(iii) below: (A) percentage payments on domestic pictures distributed in Supplemental Markets other than by means of cassettes will be five and four-tenths percent (5.4%) of “Producer’s gross;” and (B) percentage payments on domestic pictures distributed in Supplemental Markets by means of cassettes will be six and seventy-five hundredths percent (6.75%) on the first one million dollars of “Producer’s gross,” as that term is defined in subsection (b)(2)(ii) of this Article 21, and eight and one-tenth percent (8.1%) of “Producer’s gross” in excess of one million dollars.

(iii) Percentage payments on a domestic picture shall be made on a prorated basis in either of the following events:

(A) If a majority of the shooting days of principal photography on the motion picture occurred inside the following states -- Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Texas, Utah, Washington and Wyoming -- and the Los Angeles production crew, as defined above, consists of twenty-nine (29) or fewer individuals. 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; or

(B) 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.

The Basic Crafts Unions shall have the right to reinstate the conditions for proration set forth in the Studio Transportation Drivers, Local #399 Agreement of 1988, as amended, if, after study and review by a joint Basic Crafts Union – AMPTP Committee, it is determined that such proration provisions have an adverse economic impact on the Pension and Health Plans. If the proration provisions under the 1988 Agreement, as amended, are reinstated, such provisions shall apply to domestic motion pictures which commence principal photography more than one hundred twenty (120) days after termination of the proration provisions set forth above.

(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 (c)(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 individuals on the Los Angeles production crew; the number and job classifications of those individuals excluded pursuant to the provisions of subsection (c)(3)(iii)(A) above; the number of shooting days of principal photography occurring in the states listed in subsection (c)(3)(iii)(A) above; and 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 subsection (c)(3)(iii)(B) 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 subsection (c)(3)(iii)(B) above; and 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.

(d) (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 Supplemental Markets 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 subsection (c)(2) or pursuant to subsection (c)(3)(iii)(A) above or pursuant to subsection (c)(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 subsection (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 quarterly 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 subsection (c)(2) or pursuant to subsection (c)(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 the Basic

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 the Basic Agreement but who worked on the motion picture in job categories referred to either in this Basic 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 section (e) below; the total below-the-line labor costs of individuals subject to the Basic 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 Basic 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 section (e) below.

(3) As to any motion picture subject to section (c) above for which Producer assumes the obligation to make percentage payments pursuant to subsection (b)(11) above, if Producer wishes to prorate its percentage payments for such motion picture, it shall obtain the records provided for in subsection (d)(2) above from the producer of such motion picture.

(e) The provisions of this Article 21 were jointly negotiated by the following unions, as a group, for the benefit of the Health Plan:

International Alliance of Theatrical Stage Employes and Moving Picture Technicians, Artists and Allied Crafts of the United States, its Territories and Canada; Studio Transportation Drivers, Local 399 of International Brotherhood of Teamsters; Local 40 of International Brotherhood of Electrical Workers; Local 724 of the Laborers' International Union of North America; 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 Pipe Fitting 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 Health Plan with respect to the exhibition of motion pictures in Supplemental Markets" is and shall be deemed to be a reference to the "percentage payment" as set forth in this Article 21, which amount is the only amount, in the aggregate, which the Producer and all such unions have agreed upon for the benefit of the Health Plan with respect to the exhibition of motion pictures in Supplemental Markets.

The compliance by Producer with the conditions set forth in this Article 21 likewise constitutes compliance as to all the unions.

(f) Notwithstanding anything herein to the contrary, the parties hereby confirm the following understanding and practices of the Producers with respect to the Supplemental Markets provisions:

(1) Article 21 does not require a percentage payment to be made with respect to motion pictures on which the only employees employed under the Basic Agreement performed post-production (including editorial) work; and

(2) Article 21 does not require percentage payments to be made with respect to motion pictures which are produced by a producer which is not signatory to the Basic Agreement or the Basic Crafts Agreements.

(g) If any other Union or Guild negotiates, as part of its collective bargaining agreement with the AMPTP, residuals on product for iPods or similar devices, the Producers will meet with the Basic Crafts Unions to negotiate an appropriate residual formula.

ARTICLE 22. Labor-Management Meetings

The Producers and the Union agree to reinstate meaningful labor-management meetings. A labor-management standing committee shall be established jointly by the Basic Crafts and the Producers which shall meet quarterly or on call of either the Basic Crafts or the Producers. A pre-meeting conference shall be held to review the subject matter of the agenda.

ARTICLE 23. Safety

(a) It is agreed by the parties that too great an emphasis cannot be placed on the need to provide a safe working environment. In that context, it shall be incumbent on each employer (herein referred to as the Producer) to furnish employment and a place of employment which are safe and healthful for the employees therein; to furnish and use safety devices and safeguards, and adopt and use practices, means, methods, operations and processes which are reasonably adequate to render such employment and place of employment safe and healthful; to do every other thing reasonably necessary to protect the life, safety and health of employees. Correspondingly, no employer shall require or permit any employee to go or be in any employment or place of employment which is not safe

and healthful. In addition, every employer and every employee shall comply with occupational safety and health standards and all rules, regulations and orders pursuant to applicable laws which are applicable to his/her own actions and conduct; no person (employer or employee) shall remove, displace, damage, destroy or carry off any safety device, safeguard, notice or warning, furnished for the use in any employment or place of employment; no person shall interfere with the use of any method or process adopted for the protection of any employee, including his/herself, in such employment or place of employment.

(b) Rigid observance of safety regulations must be adhered to and willful failure of any employee to follow safety rules and regulations can lead to disciplinary action including discharge; however, no employee shall be discharged or otherwise disciplined for refusing to work on a job that exposes the individual to a clear and present danger to life or limb. No set of safety regulations, however, can comprehensively cover all possible unsafe practices of working. The Producer and the Union therefore undertake to promote in every way possible the realization of the responsibility of the individual employee with regard to preventing accidents to himself or his fellow employees.

(c) It is also agreed that when unresolved or continuing disputes exist regarding Safety and Health compliance, non-compliance or interpretation therein of Title 8, Chapter 4, Subchapter 7, General Industry Safety Orders, said disputes shall be referred to the AMPTP and CSATF-administered Labor-Management Safety Committee for review, investigation, interpretation and advisory recommendations to the Employer(s). It is understood that it is not the responsibility of the Safety Committee, or any member of the Committee, the IATSE or its Local Unions, the Basic Crafts, CSATF or the AMPTP to implement or comply with any such recommendations.

(d) The Labor-Management Safety Committee shall meet at least once a month.

(e) The cost of the Labor-Management Committee will be borne by CSATF.

(f) A separate bulletin shall be issued by the AMPTP to provide the following:

(1) The Producers reaffirm their commitment to regularly inspect the studio working areas and to establish preventive maintenance procedures to assure safe working conditions.

(2) Complaints of unsafe conditions will be promptly investigated by the Producer and appropriate action will be taken if the Producer finds that an unsafe condition does exist.

(3) Each Producer will designate an individual as the responsible safety officer for its respective studio, facility, laboratory or location site. Except on location, each safety officer will have a well-publicized "hot-line" phone number which employees can anonymously call to alert management to any existing safety problems which may require correction.

(4) The Producers will provide access to all working areas to the Safety Director of CSATF so that he will periodically inspect same.

(5) Communications regarding safety policy will be made available to all affected employees directly or by posting on bulletin boards.

ARTICLE 24. Employee Assistance Program for Drug and Alcohol Abuse

The Producers endorse the concept of the IATSE and Basic Crafts Locals for providing an employee assistance program for drug and alcohol abuse problems. Recognizing that such a program is best administered under the auspices of the Motion Picture Industry Health Plan, the Producers, in conjunction with the IATSE and the Basic Crafts Unions, hereby recommend to the Board of Trustees of the Motion Picture Industry Health Plan that such an employee assistance program be added to the benefits provided by the Health Plan. The Producers and the Union agree that among the resources to be considered by the Health Plan in implementing this program is the existing program of the Motion Picture and Television Fund, Alcoholics Anonymous and Narcotics Anonymous.

An employee who has an alcohol or drug abuse problem which interferes with job performance or attendance will be disciplined in accordance with normal disciplinary procedures. In such cases, before an employee is discharged or disciplinary action is taken, the Producer will give advance notice to the applicable Local Union and will meet or confer with such Local Union representative. As a part of those procedures or as an alternative thereto, such an employee may be referred to counseling through a qualified employee assistance program. Any employee who refuses to accept treatment through such a program or who is again disciplined or discharged pursuant to this section by his/her employer for unsatisfactory job performance or other misconduct arising out of or resulting from drug or alcohol abuse shall not be entitled to have the second or subsequent disciplinary action(s) reviewed pursuant to the grievance and

arbitration procedure. Notwithstanding the participation by any employee in an employee assistance program created pursuant to this Agreement, the Producers and the IATSE, its Local Unions and the Basic Crafts recognize that each employee is and remains responsible for his/her own satisfactory job performance.

ARTICLE 25. Employer in Default

The IATSE, the Basic Crafts and the AMPTP agree to develop procedures designed to preclude employers who are in default on wage payments and/or trust fund contributions and who cease business from returning to the industry without curing the default(s).

ARTICLE 26. Designating Responsible Employer

The IATSE, the Basic Crafts and the AMPTP agree to develop a procedure to be used whenever more than one employer is involved in the production of a motion picture covered by this Agreement for designating the employer responsible for compliance with the obligations set forth in the various Local Agreements.

ARTICLE 27. Rental Facilities

The Producer shall provide the Chairman of the Basic Crafts timely advance written notice of a rental facilities deal for use of its Los Angeles studio production facilities when it has no financial interest in the picture. The Producer shall give telephonic notice prior to the written notice.

ARTICLE 28. Change of Name by Producer

If the signatory Producer intends to change its name, written notice of the proposed change shall be promptly given to the Chairman of the Basic Crafts.

ARTICLE 29. Payroll Companies and Paying Agents

The Producer agrees that it will not utilize the services of a payroll company or paying agent for the purpose of avoiding the provisions of this Agreement.

ARTICLE 30. Low Budget Features

The Union shall give good faith consideration on a case-by-case basis to requests for special conditions for low budget features (other than those covered by Sideletter No. 7) committed to be produced in Los Angeles or with a Los Angeles-based crew.

ARTICLE 31. Mobisodes

The parties agree to discuss expanding the scope of the Agreement to cover the production of “mobisodes” when production for this market matures and business models governing this type of production have been developed.

ARTICLE 32. Teamster Logo

If, during the term of the 2007 Agreement, any Union, through its collective bargaining agreement with the AMPTP, negotiates for the first time a “Union Logo” clause which requires the display of such Union’s logo in the credits of theatrical or television motion pictures, then, in such event, Local #399 will likewise be entitled to display its Union logo in the credits of such pictures.

**WAGE SCALES, HOURS OF EMPLOYMENT AND WORKING
CONDITIONS**

1. (a) (1) The following minimum wage scale shall be effective for the period commencing with July 29, 2007 to and including August 2, 2008.

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399	Studio Minimum Rates			
	Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
Occ. Code	Reg. Basic Hourly Rate			
No. Classification	Per Hour	Per Day	Per Week	Per Week
3500 Transportation Coordinator	None ²			
3501 1st On Production Driver Gang Boss Hired	\$34.54 ³			
3502 All Other Gang Bosses (except Occ. Code Nos. 3551 and 3581)	31.45 ^{3, 4, 5}			
3511 Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles	17.51			
3518 Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles who “regularly worked” for the Producer in Occ. Code No. 3511 as defined in footnote 6	24.09 ⁶			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Studio Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
Occ. Code		Reg. Basic Hourly Rate			
No.	Classification	Per Hour	Per Day	Per Week	Per Week
3512	Drivers of other vehicles which require a Class C license to operate -- crew cabs, pick-up trucks, lot tractors (shop mules or hooties), 5-ton trucks -- and condors	\$25.52			
3513	“Hyphenate” Driver/ Craftsperson	7			
3520	Drivers of vehicles requiring a Class B license to operate, including operators of maxivans (10 or more passengers), buses (excluding forty (40) passenger buses), dump trucks, 5-ton crew cabs, crew cabs towing trailers less than 6,000 lbs. off the lot, forklifts (excluding pettibone forklifts), skip loaders, water trucks and motor homes, but excluding 10-ton trucks	27.84 ⁸			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Studio Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
Occ. Code		Reg. Basic Hourly Rate			
No.	Classification	Per Hour	Per Day	Per Week	Per Week
3521	Drivers of forty (40) passenger buses, 10-ton trucks and pettibone forklifts and drivers of vehicles requiring a Class A license to operate, including vehicles towing trailers over 6,000 lbs. and operators of cranes, back hoes, bulldozers, heavy duty tractors and honey wagons	\$30.02 ⁸			
3523	Camera Car Driver	34.54 ⁹			
3524	Production Van Driver/ Operator	35.26 ¹⁰			
3525	Stunt and/or Blind Driver	None ¹¹			
3526	Chapman Crane Operator	34.54			
3531	Automotive Service Person	17.51			
3532	Automotive Service Person who “regularly worked” for the Producer in Occ. Code No. 3531 as defined in footnote 6	24.09 ⁶			
3543	Dispatcher	31.45 ⁴			
3550	Ramrod	None ^{2, 12, 13}			
3551	Wrangler Gang Boss	31.59 ¹²			
3561	Wrangler	29.21			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399	Studio Minimum Rates			
	Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
Occ. Code	Reg. Basic Hourly Rate			
No. Classification	Per Hour	Per Day	Per Week	Per Week
3562 Driver/Wrangler	\$30.02 ¹⁴			
3563 Wrangler (Pick Up)	44.06			
3565 Wrangler (Braider)	36.92			
3571 Trainer (Domestic Livestock)	None ¹⁵			
3573 Trainer (Stable)	40.44 ¹⁵			
3575 Wild Animal Trainers	40.44 ^{15, 16, 17}			
3576 Wild Animal Handlers	35.09 ^{16, 17}			
3581 Automotive Gang Boss	34.54 ^{18, 19}			
3591 Automotive Mechanic	31.66 ^{18, 19}			
3592 Dog Trainer	35.09 ^{15, 16, 20, 21}			
3593 Dog Handler	29.21 ^{16, 21}			

Footnotes applicable to this Paragraph 1.(a)(1) begin on page 83.

- (2) The following minimum wage scale shall be effective for the period commencing with August 3, 2008 to and including August 1, 2009.

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Studio Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
Occ. Code		Reg. Basic Hourly Rate			
No. Classification		Per Hour	Per Day	Per Week	Per Week
3500	Transportation Coordinator	None ²			
3501	1st On Production Driver Gang Boss Hired	\$35.58 ³			
3502	All Other Gang Bosses (except Occ. Code Nos. 3551 and 3581)	32.39 ^{3, 4, 5}			
3511	Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles	17.51			
3518	Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles who “regularly worked” for the Producer in Occ. Code No. 3511 as defined in footnote 6	24.81 ⁶			
3512	Drivers of other vehicles which require a Class C license to operate -- crew cabs, pick-up trucks, lot tractors (shop mules or hooties), 5-ton trucks -- and condors	26.29			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Studio Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code	No. Classification	Per Hour	Per Day	Per Week	Per Week
	3513 “Hyphenate” Driver/ Craftsperson	7			
	3520 Drivers of vehicles requiring a Class B license to operate, including operators of maxivans (10 or more passengers), buses (excluding forty (40) passenger buses), dump trucks, 5-ton crew cabs, crew cabs towing trailers less than 6,000 lbs. off the lot, forklifts (excluding pettibone forklifts), skip loaders, water trucks and motor homes, but excluding 10-ton trucks	\$28.68 ⁸			
	3521 Drivers of forty (40) passenger buses, 10-ton trucks and pettibone forklifts and drivers of vehicles requiring a Class A license to operate, including vehicles towing trailers over 6,000 lbs. and operators of cranes, back hoes, bulldozers, heavy duty tractors and honey wagons	30.92 ⁸			
	3523 Camera Car Driver	35.58 ⁹			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Studio Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code	No. Classification	Per Hour	Per Day	Per Week	Per Week
	3524 Production Van Driver/ Operator	\$36.32 ¹⁰			
	3525 Stunt and/or Blind Driver	None ¹¹			
	3526 Chapman Crane Operator	35.58			
	3531 Automotive Service Person	17.51			
	3532 Automotive Service Person who “regularly worked” for the Producer in Occ. Code No. 3531 as defined in footnote 6	24.81 ⁶			
	3543 Dispatcher	32.39 ⁴			
	3550 Ramrod	None ^{2, 12, 13}			
	3551 Wrangler Gang Boss	32.54 ¹²			
	3561 Wrangler	30.09			
	3562 Driver/Wrangler	30.92 ¹⁴			
	3563 Wrangler (Pick Up)	45.38			
	3565 Wrangler (Braider)	38.03			
	3571 Trainer (Domestic Livestock)	None ¹⁵			
	3573 Trainer (Stable)	41.65 ¹⁵			
	3575 Wild Animal Trainers	41.65 ^{15, 16, 17}			
	3576 Wild Animal Handlers	36.14 ^{16, 17}			
	3581 Automotive Gang Boss	35.58 ^{18, 19}			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399	Studio Minimum Rates			
	Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
	Reg. Basic Hourly Rate			
	Per Hour	Per Day	Per Week	Per Week
3591 Automotive Mechanic	\$32.61 ^{18, 19}			
3592 Dog Trainer	36.14 ^{15, 16, 20, 21}			
3593 Dog Handler	30.09 ^{16, 21}			

Footnotes applicable to this Paragraph 1.(a)(2) begin on page 83.

- (3) The following minimum wage scale shall be effective for the period commencing with August 2, 2009 to and including July 31, 2010.

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Studio Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
Occ. Code	Classification	Reg. Basic Hourly Rate			
No.		Per Hour	Per Day	Per Week	Per Week
3500	Transportation Coordinator	None ²			
3501	1st On Production Driver Gang Boss Hired	\$36.65 ³			
3502	All Other Gang Bosses (except Occ. Code Nos. 3551 and 3581)	33.36 ^{3, 4, 5}			
3511	Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles	18.04			
3518	Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles who “regularly worked” for the Producer in Occ. Code No. 3511 as defined in footnote 6	25.55 ⁶			
3512	Drivers of other vehicles which require a Class C license to operate -- crew cabs, pick-up trucks, lot tractors (shop mules or hooties), 5-ton trucks -- and condors	27.08			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399	Studio Minimum Rates			
	Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
	Reg. Basic Hourly Rate			
Occ. Code	Per Hour	Per Day	Per Week	Per Week
No. Classification				
3513 “Hyphenate” Driver/ Craftsperson	7			
3520 Drivers of vehicles requiring a Class B license to operate, including operators of maxivans (10 or more passengers), buses (excluding forty (40) passenger buses), dump trucks, 5-ton crew cabs, crew cabs towing trailers less than 6,000 lbs. off the lot, forklifts (excluding pettibone forklifts), skip loaders, water trucks and motor homes, but excluding 10-ton trucks	\$29.54 ⁸			
3521 Drivers of forty (40) passenger buses, 10-ton trucks and pettibone forklifts and drivers of vehicles requiring a Class A license to operate, including vehicles towing trailers over 6,000 lbs. and operators of cranes, back hoes, bulldozers, heavy duty tractors and honey wagons	31.85 ⁸			
3523 Camera Car Driver	36.65 ⁹			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Studio Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code	No. Classification	Per Hour	Per Day	Per Week	Per Week
	3524 Production Van Driver/ Operator	\$37.41 ¹⁰			
	3525 Stunt and/or Blind Driver	¹¹			
	3526 Chapman Crane Operator	36.65			
	3531 Automotive Service Person	18.04			
	3532 Automotive Service Person who “regularly worked” for the Producer in Occ. Code No. 3531 as defined in footnote 6	25.55 ⁶			
	3543 Dispatcher	33.36 ⁴			
	3550 Ramrod	None ^{2, 12, 13}			
	3551 Wrangler Gang Boss	33.52 ¹²			
	3561 Wrangler	30.99			
	3562 Driver/Wrangler	31.85 ¹⁴			
	3563 Wrangler (Pick Up)	46.74			
	3565 Wrangler (Braider)	39.17			
	3571 Trainer (Domestic Livestock)	None ¹⁵			
	3573 Trainer (Stable)	42.90 ¹⁵			
	3575 Wild Animal Trainers	42.90 ^{15, 16, 17}			
	3576 Wild Animal Handlers	37.22 ^{16, 17}			
	3581 Automotive Gang Boss	36.65 ^{18, 19}			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Studio Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code	No. Classification	Per Hour	Per Day	Per Week	Per Week
	3591 Automotive Mechanic	\$33.59 ^{18, 19}			
	3592 Dog Trainer	37.22 ^{15, 16, 20, 21}			
	3593 Dog Handler	30.99 ^{16, 21}			

Footnotes applicable to this Paragraph 1.(a)(3) begin below.

¹ “Off Production” Employees - Ten Hour/Four Day Workweek

The Producer may schedule “off production” employees to work on a daily basis with a ten (10) hour minimum call at straight time, provided the employee is guaranteed forty (40) hours within his workweek. An individual employed on the basis of a ten hour/four day workweek shall be paid time and one-half for the fifth or sixth day worked within his workweek and double time for the seventh day worked within his workweek. The guaranteed pay of such employees who absent themselves without the Producer’s consent may be reduced one-fourth (¼) of the weekly guarantee for each day of absence.

² Exempt Employees - The Producer and the individual employee shall enter into individual negotiations prior to the start of employment in such classification for the purpose of establishing an individual flat rate which shall be considered as exempt from the Fair Labor Standards Act and related applicable state laws and shall not be subject to overtime, meal periods, meal penalties, call-back provisions or other premium pay conditions contained herein; (provided, however, that for purposes of Motion Picture

Industry Health Plan and Motion Picture Industry Pension Plan contributions, see Article 11, Article 12(d) and Article 13(d)).

When working “on production,” a Transportation Coordinator shall be paid not less than the lowest paid full-time driver employed on such production. There shall be no self-dealing in the application of this provision.

- ³ Driver Gang Boss - The first “on” production Gang Boss employed by the shooting company shall be paid at the rate set forth in the wage schedule and shall be considered the primary Gang Boss. Such premium rate shall be limited to one such Gang Boss on the shooting company. All subsequent “on” production Gang Bosses hired and all “off” production Gang Bosses shall be employed at the rate set forth in the wage schedule designated as “all others.” See Paragraph 82 re “‘On’ and ‘Off’ Production.”
- ⁴ The rate for Occ. Code No. 3502, All Other Gang Bosses, and Occ. Code No. 3543, Dispatcher, is \$1.00 per hour above the rate for Occ. Code No. 3521.
- ⁵ The rate for persons employed in Occ. Code No. 3502, All Other Gang Bosses, in the film processing laboratories shall be: \$29.86 for the period July 29, 2007 to and including August 2, 2008; \$30.76 per hour for the period August 3, 2008 to and including August 1, 2009; and \$31.68 per hour for the period August 2, 2009 to and including July 31, 2010.
- ⁶ Employees who “regularly worked” in Occ. Code Nos. 3511 or 3531, as herein defined, shall be eligible to be paid pursuant to Occ. Code Nos. 3518 or 3532, respectively. An employee shall be considered to have “regularly worked” in Occ. Code No. 3511 and/or 3531 if he was employed in said classification(s) for not less than three hundred (300) days by a single Producer during any two (2) consecutive year rolling period, going back as far as August 1, 2005. Once an employee has worked three hundred (300) days for a single Producer in Occ. Code No. 3511 or 3531, he shall so advise the Producer, who shall verify whether the employee meets the aforesaid experience requirement. If so, then the employee shall be upgraded to the Occ. Code No. 3518 or 3532 wage rate, as applicable, on the first day of the month following the Producer’s verification of the experience requirement.

Hyphenate Drivers

- (a) Persons employed in the Hyphenate Driver job classification may be assigned to perform lot jobs such as routine or minor repairs, maintenance of buildings and grounds, electrical maintenance, furniture moving and similar facility jobs.
- (b) Hyphenate Driver job assignments will be posted for a period of five (5) working days to allow qualified persons to bid.

The Producer will select based on qualifications; however:

- (1) preference shall be given to persons with seniority within their respective bargaining units (listed above) when the employees applying for such bid job possess, in the opinion of the Producer, the requisite skill, ability and personal qualification;
- (2) to the extent practicable and consistent with the skill, ability and personal qualification requirements set forth above, the Producer shall in good faith endeavor to select Hyphenate Drivers on a balanced basis, selecting an equal number of employees to fill Hyphenate Driver openings from each of the affected locals.

Each of the affected Local Unions will be given reasonable advance notice prior to the posting of such bid job(s). Prior to implementation of the bid job, the Producer will submit to the Local Union all pertinent information, such as job description, wage rate, basis of employment and person selected. A person so selected may be retained out of seniority for the duration of the assignment, which shall be for period of one year unless work is no longer available. Such job(s) shall be subject to bidding each year.

When performing such work, the employee(s) will be paid the higher of the applicable wage rates, plus an additional \$1.00 per hour.

- (c) With respect to IATSE classifications, the use of hyphenate drivers is subject to agreement by the IATSE on a Local-by-Local basis.

(d) Hyphenate Drivers may be temporarily replaced by another “Hyphenate Driver” without bidding for the temporary leave, so long as the replacement is for ninety (90) or fewer days.

8 This rate has been established through negotiations for the purpose of paying individuals in accordance with the license requirements for the equipment listed. Such rate shall not be paid for moving the equipment from place to place or spotting or gassing, etc.

9 Shall include drivers of any motor vehicles used in running shots in tandem to the Camera Car. Rate does not apply when Camera Car is merely moved around the studio, such as when it is taken to the Camera Department for loading the evening prior to departure for a location or moving it to the gasoline pump. On distant location, the Camera Car rate shall be applicable on any day it is operated by its driver, but not on days when such driver only operates equipment not classified as special equipment.

10 Production Van Driver/Operator - Applicable when a Production Van Driver employed under this Agreement is concurrently assigned to perform Journeyman Electrician work under the terms and conditions of the Producer-International Brotherhood of Electrical Workers, Local #40 Agreement.

11 This rate is subject to individual negotiation. In the event a stunt or “blind” driver has not completed his individual negotiations at the completion of the day’s work and further negotiations are necessary, he may be represented by an authorized representative of the Union to complete such negotiations.

12 On distant location, the first Wrangler Gang Boss/Ramrod hired shall be paid the #3501 Driver Gang Boss rate.

13 Wrangler Ramrod - The Wrangler Ramrod rate may be individually negotiated by each individual so employed.

14 Driver/Wranglers - This rate shall be used when a Wrangler drives the animals he is wrangling. A Driver/Wrangler must possess the appropriate driver’s license endorsements for driving of vehicles.

15 “On Call” - The Producer may establish an “on call” salary for the designated wage classification upon mutual consent of employee and Union. See also “II. STUDIO WORKING CONDITIONS,” Paragraphs 4 and following; and Paragraph 33, “Distant Location Pay Provisions.”

- 16 Producer may require party furnishing smaller wild animals or dogs to deliver to the studio. Compensation time of Wild Animal Trainer or Wild Animal Handler or of Dog Trainer or Dog Handler to begin and end at the studio; provided, however, if such Trainer or Handler is not the owner of the smaller wild animals or the dogs, compensation time shall be paid from and to the compound or kennel. If such Trainer or Handler is not the owner of the smaller wild animals or of the dogs, but supplies the car used for transporting them, he shall be paid an allowance of \$.30 per mile for such transportation.
- 17 Undomesticated Quadrupeds - shall include undomesticated quadrupeds of the phylum mammalia.
- 18 Mechanics Driving on Location - Notwithstanding the provisions of Paragraph 62(c) hereunder, when Mechanics are sent to a location, they may be permitted to drive service equipment for the purpose of maintenance and repair and to haul tools and parts for the purpose of such maintenance and repair, but not men or materials - except they may be permitted to transport another mechanic or auto service man. Mechanics may also be permitted to drive "U-Drive" equipment hired at the location site and perform the duties of a driver with such piece of equipment. When five (5) or more pieces of equipment are on a location, the Producer may have an Automotive Mechanic perform the duties of a Driver to, from and on such location.
- 19 Heavy Duty Work - The Automotive Gang Boss rate shall apply during the period when an Automotive Mechanic is performing heavy duty work. The term "heavy duty work" shall mean work on the drive train, including axles, of a diesel-powered or gasoline-powered vehicle weighing five (5) tons or more.
- 20 Interview time shall be paid for in hourly units, commencing with the second hour.
- 21 Small Animals - shall include small animals such as squirrels, rabbits, guinea pigs, hamsters, etc.

2. Classification and Wage Schedule

Each employee shall be notified at the time of his employment under which classification and wage schedule he/she is employed. He/she shall also be notified before any change of classification or wage schedule is effective and such change shall not be retroactive. However, employees may be adjusted retroactively when

misclassified. The employee's classification and wage schedule shall be shown on his time card.

*See Paragraph 11(b), (c) and Paragraph 12.

3. Payroll Week

The full payroll week shall be from midnight Saturday to midnight Saturday.

II. STUDIO WORKING CONDITIONS

(Except for "On Call" employees or where otherwise provided)

4. Night Premiums

(Applicable to "Off Production" employees)

(a) Employees called to work between 6:00 a.m. and 8:00 p.m. shall receive a ten percent (10%) premium for all time worked between 8:00 p.m. and 6:00 a.m.

(b) Employees called to work between 8:00 p.m. and 4:00 a.m. shall receive a twenty percent (20%) premium for all time worked.

(c) Employees called to work between 4:00 a.m. and 6:00 a.m. shall receive a twenty percent (20%) premium for all time worked until 6:00 a.m., and straight time for the remainder of the minimum call.

5. Minimum Calls

(a) The minimum call is a guarantee of employment for the number of hours of the minimum call indicated in the wage schedules.

(b) Employees shall hold themselves in readiness to serve the Producer during the period of the minimum call and such additional time as the Producer may require.

(c) Minimum calls for Daily Schedule employees are subject to the provisions of Paragraph 13.

(d) Studio Minimum Call - Except as provided in Paragraph 7 and in the single-asterisked footnote to the wage schedules and in subparagraph (f) below, there shall be a minimum daily call of eight (8) hours with time and one-half (1½) after eight (8) hours on a given day and time and one-half (1½) after forty (40) hours in a given week.

(e) *See Paragraphs 7, 8 and 35.

(f) A four (4) hour minimum call shall apply for any day on which an employee, at the request of an individual Producer, reports for safety training. A weekly “on call” employee who reports for safety training shall be paid one-tenth of the weekly “on call” rate for each such day.

6. Overtime

(a) All time and one-half, “not less than one and one-half,” double time, Excessive Hour pay, pay for the sixth or seventh day worked in the employee’s workweek and pay for holidays in excess of the Regular Basic Hourly Rate are paid as overtime compensation and shall not be compounded.

(b) Overtime paid on a daily basis shall be computed at the Regular Basic Hourly Rate in effect when the overtime occurs.

(c) Overtime paid on a weekly basis shall be computed at the mean Regular Basic Hourly Rate.

(d) Night premiums shall be included as a part of the Regular Basic Hourly Rate in computing overtime.

(e) Meal delay penalties (Paragraph 18), pay for call-back intervening time of less than four (4) hours (Paragraph 9) and allowances for aerial flight work (Paragraph 46) shall be included as a part of the Regular Basic Hourly Rate in computing overtime required by the Fair Labor Standards Act.

(f) It is the intent of the parties that drivers subject to this Agreement shall not be replaced for the purpose of avoiding overtime unless it is necessary to do so for the purpose of safety, compliance with Department of Transportation regulations or other production purposes that outweigh the need for continuity.

7. Workweek; Sixth or Seventh Day Worked in an Employee's Workweek

(a) The regular studio workweek shall consist of any five (5) consecutive days out of any seven (7) consecutive days, commencing with the first of such five (5) days. However, the five (5) consecutive day requirement shall not apply upon the commencement of any regularly-scheduled five-day-per-week shift. (For example, on starting a new shift, a schedule that provides for an employee to work on Monday and Tuesday, with Wednesday and Thursday as the regular days off, and is followed by work on Friday through the following Tuesday does not violate the five (5) consecutive day requirement.)

(b) Time and one-half shall be paid for the employee's sixth day of work within a workweek. Double time shall be paid for the employee's seventh day of work within a workweek. If an employee works six (6) or seven (7) days within his workweek, the sixth or seventh day worked shall be subject to Paragraph 4, "**Night Premiums.**" All employees are paid at their scheduled Regular Basic Hourly Rates. The minimum call for the sixth or seventh day worked in an employee's workweek is as specified in Paragraph 5, with the exception that the minimum call on such days for the following shall be four (4) hours:

*1) Emergency pick-up or delivery of motion picture scripts.

*2) Picking up or delivering passengers and/or film at air, railroad or bus terminals.

*Such exceptions do not apply on distant locations or the driving of trucks or buses, nor does it include any "on" or "off" production work at a studio, such as loading trucks for location, etc.

In the event that any daily employee who is not on a regularly-scheduled workweek works six (6) days, starting with the first day worked, within a seven (7) consecutive day period, he shall be paid time and one-half for the sixth day worked.

If a weekly employee or a regularly-scheduled five-day-per-week daily employee is required to work six (6) days in his workweek, the Producer shall make reasonable good faith efforts to schedule the employee to work on six (6) consecutive days. Any unresolved dispute as to whether the Producer has made such reasonable good faith efforts shall be submitted to the Chairman of the Basic Crafts Unions and the President of the AMPTP for resolution.

(c) Except as provided in this subparagraph, a workday starting on one calendar day and running into the next calendar day shall be credited to the first calendar day. The foregoing rules shall not apply in the following situations: (1) If an “on production” employee’s fifth day of work in a workweek occurs on a Friday and his shift commences after 8:00 p.m. and overlaps into Saturday, he shall be paid time and one-half for the hours worked on Saturday; and (2) an employee whose work shift overlaps into a holiday or from a holiday into the next day shall be paid in accordance with the “Provisions for Holidays Worked” under this Agreement for those hours worked on the calendar holiday.

(d) The guaranteed pay of weekly or exempt employees who absent themselves without the Producer’s consent may be reduced one-fifth (1/5) of the weekly guarantee for each day of absence.

(e) (1) 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.

(2) The Producer 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 Producer and the employee so agree, the employee may work at straight time without having two (2) days off;

(B) The Producer may require employees to take an additional day off (and such scheduling shall not be deemed to constitute a prohibited relay call), thereby avoiding premium pay; or

(C) The Producer 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

Producer 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 Producer 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.

(iii) In addition to the shift in the workweek outlined in subparagraph (ii) 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.

(3) The Producer 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).

(f) The Producer shall not lay off and rehire the same employee within the same workweek for the purpose of avoiding premium pay.

(g) Assignments to regularly-scheduled, five-day-per-week shifts that include Saturday and/or Sunday shall be based upon seniority as required by Paragraph 62. If such position cannot be filled on the basis of seniority, Producer shall solicit volunteers to work such shifts. In the event of an insufficient number of volunteers to fill such positions, the Producer may hire as provided in this Agreement.

(h) Employees who are not on the payroll of the Producer will not be taken off the roster for refusal to accept calls for work on Saturday and/or Sunday. In other cases, the exceptions to roster removal set forth in Paragraph 62 of this Agreement shall continue to apply.

(i) In the event an employee is absent on a regularly-scheduled workday and offers to work an additional day in such workweek to compensate for the day of absence, and the Producer accepts such offer, such employee shall be paid at straight time for such "make-up" day.

(j) In the event a holiday falls on an employee's regularly-scheduled workday and the employee is not required to work on such holiday, but is required to work on either or both of his regularly-scheduled days off in that workweek, such employee shall be paid time and one-half if he works on one of such

regularly-scheduled days off and, in addition, shall be paid double time if he also works on the second of such regularly-scheduled days off.

(k) When a holiday falls on a regularly-scheduled employee's day off, the employee may request, within fourteen (14) days after the holiday, an unpaid compensatory day off to be scheduled on a date mutually agreeable to the employee and the Producer.

(l) An employee who is a member of an "on production" crew shall not be replaced on that production for the purpose of avoiding premium pay for the sixth or seventh consecutive day worked in a workweek.

(m) When a driver employed under this Agreement is assigned to work with an "off production" set dressing, pre-rigging or pre-lighting crew that works five (5) consecutive days, and the crew continues to work for a sixth and/or seventh day, then the driver may be replaced for the sixth and/or seventh day if another member of that crew (other than drivers) is also replaced for work on the sixth and/or seventh days. This provision shall not apply to studio maintenance assignments.

8. Holidays

(a) Work time on holidays shall be subject to Paragraph 4, "**Night Premiums.**" All employees are paid at their scheduled Regular Basic Hourly Rates.

Minimum calls are as specified in Paragraph 5.

An employee shall not be taken off a weekly schedule solely for the purpose of evading the holiday obligation under this Paragraph.

(b) New Year's Day, Presidents' Day (third Monday in February), Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving and Christmas Day shall be recognized as holidays. Martin Luther King's Day shall be added as a holiday if the Producers agree in negotiations with either the Directors Guild of America, the Screen Actors Guild or the IATSE (in negotiations for the Producer-I.A.T.S.E. Basic and West Coast Studio Local Agreements) to add same as an additional holiday.

If any of the above holidays falls on a Saturday, the preceding Friday shall be considered the holiday and if a holiday falls on Sunday, the following

Monday shall be considered the holiday, except that on distant location, Saturday holidays will be recognized on Saturday.

(c) Provisions for Holidays not Worked

Daily Employees

Effective in the period January 1, 2007 to and including December 31, 2007, in the period January 1, 2008 to and including December 31, 2008, and in the period January 1, 2009 to and including December 31, 2009, a daily employee shall receive 3.719% of his annual straight work time earnings, including night premiums, as payment for holidays not worked. Pay at straight time only for unworked holidays paid to Daily Schedule employees during distant location employment shall be offset against such employee's annual holiday compensation, computed as above.

(d) Provisions for Holidays Worked

Daily Employees shall receive double the Regular Basic Hourly Rate.

(e) Presentation of Claim For Holiday Pay

(1) Producers that currently pay for holidays on a weekly basis shall continue to adhere to their existing practice. Producers that currently pay for holidays pursuant to subparagraph (2) below may instead elect on a production-by-production basis to pay on a weekly basis.

(2) Producers that currently make holiday payments at the end of the calendar year shall elect one of the following procedures for employees on layoff and for employees on payroll:

(i) With respect to employees on layoff:

(A) On or after March 15 of the year following the calendar year in which holiday pay was earned, the Producer shall either:

(1) mail or deliver to such employee his holiday pay; or

(2) notify each such employee that he should claim his holiday pay pursuant to the provisions of this Agreement.

(B) In the event the Producer mails the employee's holiday paycheck and it is returned or if the employee fails, within thirty (30) days following the date of mailing of the notice referred to in subparagraph (2)(i)(A)(2) above, to claim his/her holiday pay, the Producer shall notify the Union of the names of those employees who have not claimed holiday pay. In the case of employees whose checks were returned, the Producer shall also forward the returned check(s) to the Union.

(C) The Union shall endeavor to locate any employee who has not claimed his holiday pay. If it does so, it shall forward to the employee his check or otherwise advise the employee of the department of the Producer to contact to claim such pay.

(D) If the Union is unable, within thirty (30) days following its receipt of the notice referred to in subparagraph (2)(i)(B) above, to locate such employee(s), the Union shall so advise the Producer and return any unclaimed check(s) to the Producer.

(E) On or about March 15 of the second calendar year following the year in which holiday pay was earned ("the second calendar year"), employees who have not claimed their holiday pay will be notified that unless claimed by July 15 of that year, such pay will be sent to the Motion Picture Industry Pension Plan. On or about May 15 of the second calendar year, Producer will furnish to the Union a list showing the names of those employees who have not claimed holiday pay and the amount of holiday pay due to each, together with a notice that unless claimed by July 15, such holiday pay will be sent to the Motion Picture Industry Pension Plan.

(F) On or about July 15 of the second calendar year, unclaimed holiday pay will be contributed to the Motion Picture Industry Pension Plan and credited to the appropriate employee pension plan account. Money so contributed shall not be returned to the employee and shall fully discharge the Producer's and the Union's obligations hereunder to the employee with respect to the payment of holiday pay.

(ii) With respect to employees on payroll:

(A) On or after March 15 of the year following the calendar year in which holiday pay was earned, the Producer shall either:

(1) mail or deliver to such employee his holiday pay; or

(2) notify each such employee that he should request holiday pay pursuant to the provisions of this Agreement.

(B) In the event the employee fails to request such holiday pay within thirty (30) days after the date of mailing of the notice referred to in subparagraph (2)(ii)(A)(2) above, the Producer shall notify the Union of the names of those employees who have not claimed such pay.

(C) The Union shall, within thirty (30) days after receipt of the notice referred to in subparagraph (2)(ii)(B) above, endeavor to notify the employee and advise him to claim holiday pay.

(D) On or about March 15 of the second calendar year, employees who have not claimed their holiday pay will be notified that unless claimed by July 15 of that year, such pay will be sent to the Motion Picture Industry Pension Plan. On or about May 15 of the second calendar year, Producer will furnish to the Union a list showing the names of those employees who have not claimed holiday pay and the amount of holiday pay due to each, together with a notice that unless claimed by July 15, such holiday pay will be sent to the Motion Picture Industry Pension Plan.

(E) On or about July 15 of the second calendar year, unclaimed holiday pay will be contributed to the Motion Picture Industry Pension Plan and credited to the appropriate employee pension plan account. Money so contributed shall not be returned to the employee and shall fully discharge the Producer's and Union's obligations hereunder with respect to the payment of holiday pay.

(3) New signatory Producers shall adhere to the practice of paying holiday pay currently on a weekly basis unless other arrangements are made by them with the Union.

9. Call-backs

Intervening time of less than four (4) hours between dismissal and call-back for work shall be work time; intervening time of four (4) or more hours shall not be work time. When intervening time is less than four (4) hours, such time may be applied as part of the "call-back" guarantee.

Minimum Guarantees For "Call-backs" Within Eight (8) Hours of Dismissal

Classification	Any Day Other than a Holiday or the Sixth or Seventh Day Worked in an Employee's Workweek	Holidays or Sixth or Seventh Day Worked in an Employee's Workweek*
Schedule A (Daily) Employees	4 hours at time and one-half; time and one-half thereafter	3 hours at double time; double time thereafter

*The above "call-back" guarantees for the sixth or seventh day worked in an employee's workweek or holiday do not apply when employee reports to work on such days within eight (8) hours of time dismissed from work starting on the previous day. In such event, the "call-back" guarantee is the minimum call in hours as scheduled in Paragraph 1.

10. Golden Hour Provisions

(a) All time worked at a studio zone location or nearby location or distant location, including a combination of work in the same shift of work between a studio and any of such locations, in excess of fourteen (14) consecutive hours (including meal periods) from the time of reporting for work shall be Golden Hours and shall be paid for at the following rates:

Occurring on any day other than a studio holiday or the sixth or seventh day worked in an employee's studio workweek: Two and one-half (2½) times the scheduled Regular Basic Hourly Rate.

Occurring on the sixth day worked in an employee's studio workweek: Three and three-fourths (3¾) times the scheduled Regular Basic Hourly Rate.

Occurring on the seventh day worked in an employee's workweek or holiday: Five (5) times the scheduled Regular Basic Hourly Rate.

(b) Once an employee is on Golden Hours, all work time thereafter (including meal periods, but excluding interruptions as defined below) shall be paid for at the applicable Golden Hour rate until he shall have received a rest period of not less than eight (8) consecutive hours.

If an employee reaches the Golden Hour rate applicable to the seventh day worked and continues to work past midnight on such seventh day worked, such rate shall apply on the first day of the following workweek until the employee is dismissed for a period of four (4) or more consecutive hours. If such dismissal is for four (4) or more hours but less than eight (8) hours, the employee

shall revert to the regular weekday Golden Hour rate until he is dismissed for a period of eight (8) consecutive hours.

(c) To determine (1) when Golden Hours begin, or (2) the number of Golden Hours to be paid for once Golden Hours have begun, the following provisions shall apply:

WHEN INTERVENING TIME BETWEEN DISMISSAL AND CALL-BACK TO WORK IS LESS THAN FOUR (4) HOURS	WHEN INTERVENING TIME BETWEEN DISMISSAL AND CALL-BACK TO WORK IS BETWEEN FOUR (4) HOURS AND EIGHT (8) HOURS	WHEN INTERVENING TIME BETWEEN DISMISSAL AND CALL-BACK TO WORK IS EIGHT (8) OR MORE HOURS
(Work time)	(Interruption)	(Full Rest Period)
Intervening time is work time and is added to previous and subsequent work time.	Intervening time is not work time, but previous and subsequent work time are added together to determine (1) and (2) above.	Intervening time breaks accumulation of hours toward the Golden Hour point and stops Golden Hours if once begun.

(d) Compensation for Golden Hours shall be used only to pay for Golden Hours and shall supersede and replace any other compensation for work time during Golden Hours. However, in the event of a forced call, Golden Hours may be used to fulfill minimum call guarantees on the day(s) of the forced call.

11. Interchange of Job Classifications

(a) Employees may be required to perform work within one of the following groups of related job classifications listed in the wage scale:

(1) Occ. Code Nos. 3501, 3502, 3511, 3512, 3520, 3521, 3523, 3524 and 3525 (includes driver gang boss, drivers of vehicles which require a Class A, B or C license to operate; drivers of lot tractors (shop mules or hooties), condors, forklifts and skip loaders; operators of cranes, back hoes, bulldozers, heavy duty tractors and honey wagons; camera car drivers; production van driver/operator; stunt and/or blind drivers and coordinators.

(2) Occ. Code No. 3543, Dispatcher.

(3) Occ. Code No. 3531, Automotive Service Employee (other than Automotive Mechanic).

Automotive Service Employee, exclusive of “Car Washer,” may drive vehicles for which such employee performs automotive service work and such employee shall be interchangeable with Occ. Code No. 3511 and 3512 up to a maximum of two (2) hours per day only in the case of genuine emergencies. Such time limitation for such interchange shall not apply to distant location employment.

(4) Occ. Code Nos. 3551, 3561, 3562, 3563, 3565, 3571, 3573 and 3550 (includes Wrangler Gang Boss; Wrangler; Driver/Wrangler; Wrangler (Pick-Up); Wrangler (Braider); Trainers (Individual Negotiations); Trainers (Schedule A Daily); and Ramrod).

(5) Occ. Code Nos. 3581 and 3591, Automotive Gang Boss; Automotive Mechanic.

(6) Occ. Code Nos. 3592 and 3593, Dog Trainer; Dog Handler.

(7) Occ. Code Nos. 3575 and 3576, Wild Animal Trainer; Wild Animal Handler.

(b) For work time in a classification higher than employee’s current classification, the provisions of Paragraph 12 shall apply.

(c) Work time in either a higher or a lower classification shall be credited to fulfill the minimum call of the current classification.

12. Working in Higher Classification

If two (2) or more hours of the workday is worked pursuant to a designated supervisor’s authorization in a higher classification than the classification under which the employee is called for work, the higher rate shall prevail for the entire workday. The employee reverts to his regular classification the next day unless notified to the contrary.

13. Layoff Provisions

(For “Off Production” Daily Employees)

Any employee not personally notified of his discharge at the end of his shift, who reports for work at his next regular shift, shall be considered as having been called for a minimum call. Shifts commencing on days that would otherwise constitute the sixth or seventh day worked in the employee’s workweek shall not be considered as regular shifts.

14. Change and Cancellation of Calls

(For “On Production” and “Off Production” Employees)

(a) Calls may be cancelled before 8:00 p.m. or changed before 10:00 p.m. of the day preceding the call for any day other than the sixth or seventh day worked in the employee’s workweek, or changed with two (2) hours notice on the day of the call, provided such notice is given after 6:00 a.m. on the day of the call.

(b) The employee and the Union shall be notified of layoff and/or work call at the earliest time reasonably possible.

In order to implement this policy, upon the request of any Business Agent, a joint meeting will be arranged with the appropriate Executive, the Labor Relations Manager and the Producer’s Department Head to discuss the above policy as applied to the Union.

If, subsequent to such meeting, the Union at any time believes that the notification policy is not being administered properly, the Union may discuss the matter with the Producer’s Labor Relations Manager.

(c) If, at the time of a call, the employee called is not on the employer’s payroll, such call may not be cancelled. The foregoing shall be applicable whether such employee is an “On” or “Off Production” employee.

15. Notification of Work Call

At the time an employee is given a work call, the employee shall be given a description of the following day’s work to the best of the dispatcher’s knowledge and, with reference to calls for location work, must also be advised if no meal will be served and if no meal facilities will be available.

16. Stand-by Calls

There shall be no stand-by or relay calls. Holidays or days that would otherwise constitute the sixth or seventh day worked in the employee's workweek are not considered regular days of work. When an employee is dismissed on the fifth day worked in the workweek with a call for work on the first day of the following workweek, it shall not be considered a relay or stand-by call.

The parties confirm that the relay call prohibition shall not apply in connection with a holiday. Thus, the prohibitions set forth in this clause do not apply to an employee who is not required to report to work on the day immediately prior to or following a holiday, which day would otherwise be a regularly-scheduled workday. For example, suppose an employee ordinarily works on a Monday through Friday schedule and December 25 (the Christmas holiday) falls on a Thursday. If the employee is not required to report to work on Friday, he may be given a call for the following Monday (December 29). As a further example, suppose the same facts as above except that Christmas falls on a Tuesday. If the employee is not required to work on the preceding Monday (December 24), he may be given a call on the preceding Friday (December 21) to return to work on Wednesday (December 26).

17. Pay-Off Requirements, Computation of Work Time and Time Cards

(a) The regular pay day will be on Thursday (holiday weeks excluded). When employee is laid off and requests pay, he shall be paid at time of layoff or his/her pay check will be mailed within twenty-four (24) hours, excluding Saturdays, Sundays and holidays.

The regular pay day will be on Friday for employees working on distant location.

A subcommittee shall be created for the purpose of establishing an exclusive procedure for resolving late payment claims, in lieu of processing such claims under the Labor Code.

(b) Work time shall be computed from time ordered to report at department headquarters until dismissed at department headquarters.

(c) All time shall be computed in one-tenth hour (six minute) periods.

(d) The employee's starting and finishing time, deductible meal periods, rate changes and penalties, if any, shall be shown on his time card. Any items changed after time card is approved must be reviewed by the employee.

(e) Employees hired under the "On Call" schedule shall be paid for work on recognized holidays, and for sixth and seventh days worked in an employee's workweek not later than the second Thursday following the payroll week in which such days are worked.

(f) If, due to the fault of the Producer, an employee does not receive wages or salary on a timely basis, the Producer shall, within three (3) days after being so notified by the employee, issue a check in payment of same to the employee.

(g) The Producer agrees to use its best efforts to break down overtime payments on the employee's pay check stub and to show amounts paid as meal penalties.

18. Meal Periods and Meals

Meal period provisions below apply to both "On Production" and "Off Production" employees.

(a) Meal periods shall be not less than one-half ($\frac{1}{2}$) 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. The minimum guarantee of work time after an evening meal shall be one and one-half ($1\frac{1}{2}$) hours. This guarantee does not apply when such meal is supplied at the Producer's expense.

(b) Except as provided in subparagraph (c) below:

(1) An employee's first meal period shall commence no earlier than two (2) hours after such employee reports for work and no later than six (6) hours after reporting for work; and

(2) Subsequent meal periods shall be called not later than six (6) hours after the expiration of the previous meal period.

There will be a twelve (12) minute grace period, which is not to be a scheduled grace period, prior to imposition of any meal penalty.

(c) When necessary to phase any employee into the meal schedule of the remainder of the crew, such employee may be given a reasonable meal without deducting the time spent in eating (30 minutes) from work time, in which case a deductible meal for such employee may be within six (6) hours thereafter. Unless specifically directed by an authorized representative of the Employer not to eat, it will be assumed that the employee has eaten and the next meal period will be calculated from the end of the non-deductible meal.

The Employer may either provide food for the meal at the Employer's expense or pay the employee an allowance as reimbursement therefor. Such meal allowance shall be \$7.50 for meal periods between 2:00 a.m. and 10:00 a.m.; \$10.00 for meal periods after 10:00 a.m. but before 6:00 p.m. and \$12.50 for meal periods after 6:00 p.m. but before 2:00 a.m.

(d) When an "On Production" employee is away from home studio, Producer will supply meals (except when work is at another studio which has adequate meal facilities).

(e) When an "Off Production" employee is required to work where convenient meal facilities are lacking, the Producer will furnish meals unless employee is notified the night before reporting for work that he is to work where such facilities are lacking. However, in no event shall an employee be required to furnish more than one meal per day.

(f) When the Producer furnishes meals to a shooting unit off any lot, and an "Off Production" crew is working on the same site at the same time for the same unit, the Producer will likewise furnish meals to the "Off Production" crew.

(g) Subject to the provisions of Paragraph 85(d), the meal penalty for delayed meals shall be computed as follows:

First one-half (1/2) hour meal delay or fraction thereof.	\$10.00
Second one-half (1/2) hour meal delay or fraction thereof.	\$12.50
Third and each succeeding one-half (1/2) hour meal delay or fraction thereof.	\$15.00

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.

(h) A box lunch is not considered an adequate second meal or wrap meal under this provision, unless box lunches are being provided for the entire crew for that specific meal.

(i) Producer will use its best efforts to provide suitable shelter for serving a reasonable hot meal in inclement weather. Circumstances beyond the control of the Producer shall excuse this requirement in which case the same shall not be subject to the grievance procedure.

(j) As an alternative to the provisions of subparagraphs (a) through (h) above as they relate to “on production” employees, the Producer, at its option, may institute “French hours” on a daily basis for “on production” employees, so long as a “French hours” system applies to all crew members. Meal time shall not be deductible.

(k) The parties hereby confirm the existence of a practice on some productions of paying, on a “better conditions” basis, a meal allowance. The current amount of the meal allowance is \$40.00 per day. It is understood that the parties’ agreement on this meal allowance provision is not intended to alter or amend the scope of the practice of paying said meal allowance, and each party expressly acknowledges that there have been and will continue to be exceptions to that practice.

III. STUDIO ZONE DEFINITIONS AND WORKING CONDITIONS

19. Studio Zone Defined

The studio zone shall be the area within a circle thirty (30) miles in radius from Beverly Boulevard and La Cienega Boulevard, Los Angeles, California. The Metro-Goldwyn-Mayer, Inc. Conejo Ranch property shall be considered as within the studio zone. (See Exhibit “Z” attached.)

20. Work Time

Studio rates and working conditions shall prevail for all work performed within the studio zone. However, for newly-called employees and those employees notified on the previous day prior to their departure from the studio (or the zone location) to report at the zone location, work time shall begin and end at the zone location; otherwise, work time shall begin and end at the studio. Such work time includes travel time both ways between the studio and the zone location.

21. Transportation Within the Studio Zone

Except as is otherwise provided herein, with respect to work at any studio zone location, Producer shall either furnish transportation to the employee or, at its option, may require employee to report at such location, in which case it will allow mileage of thirty cents (30¢) per mile computed between the studio and zone location and return. This allowance shall be paid on the employee's pay check that covers the payroll week in which the mileage was incurred. Employee shall not be requested to transport other employees or equipment (other than trade tools). The studio shall have the right to require the employee to report (subject to the same mileage allowance between the studio and the pick-up point) at a pick-up point within the studio zone for subsequent transportation furnished by the studio from such pick-up point to nearby location and return to the pick-up point. Work at another studio is not a "zone location." The Union will not unreasonably deny a request for waiver of the mileage allowance for employees who report to a "zone location" which is a regular place of employment for a production. The Union will not unreasonably refuse a request from the Producer that employees report to a location which is a reasonable distance beyond the aforementioned thirty (30) mile zone. As to theatrical motion pictures only, the Producer shall not be required to pay a mileage allowance to any employee reporting to a "zone location" within Los Angeles County which is within a ten (10) mile radius from a point to be designated by the Producer. Commencing outside the ten (10) mile radius, a mileage allowance will be paid as provided above. Secured parking will be provided at such locations as hereinafter required in this provision.

The parties agree that the Long Beach Dome, located in Long Beach, California, is a "studio" within the meaning of this Paragraph 21. Therefore, no mileage allowance is required to be paid to employees who report to the Long Beach Dome for work.

Employees who have reported or were directed to report to a location within the thirty (30) mile zone may instead be required to report to a studio when work cannot be performed at the location due to weather conditions, the illness of a performer, director, etc. or other unforeseen event. Under such circumstances, the employees who have reported to the location site may be required to use their own vehicles for transportation to the studio. In that event, the time spent traveling from the location to the studio shall be work time and the work shift shall end at the studio.

22. Travel Time to and from Studio Ranches

Travel time to and from studio ranches shall be work time.

IV. NEARBY LOCATION DEFINITIONS AND WORKING CONDITIONS

23. Nearby Locations Defined

Nearby locations are those locations outside of the studio zone on which employees are not lodged overnight, but return to the studio or home at the end of the workday.

24. Work Time, Travel Time

Studio rates and working conditions shall prevail on nearby locations. Work time shall begin when ordered to report at the studio and continue until dismissed at the studio. Travel time to and from the location shall be work time.

25. Transportation

The studio shall furnish transportation to and from nearby locations.

26. Excessive Hours

Travel time shall be considered as work time in the computation of excessive hours. In addition, Paragraph 10 shall apply.

27. Transportation to Nearby Locations of Dogs and Wild Animals in Pictures

Dogs cast in pictures may be transported from kennels to nearby locations in a vehicle driven by the owner of the dog, the Dog Trainer or Dog Handler. Compensation, if any, for use of vehicle to be subject to individual negotiations between the vehicle owner and Producer. In the event the Dog Trainer or Dog Handler transports such dog to or from such kennels, the compensation time of Dog Trainer or Dog Handler, in such cases only, shall begin or end at the kennel, as the case may be.

Smaller wild animals may be transported to nearby locations in a vehicle driven by the owner, the Wild Animal Trainer and/or Wild Animal Handler. Compensation, if any, for use of vehicle to be subject to individual negotiations

between the vehicle owner and Producer. In the event the Wild Animal Trainer or Wild Animal Handler transports such animals to or from such compounds, then compensation time of Wild Animal Trainer or Wild Animal Handler, in such cases only, shall begin or end at the compound, as the case may be.

28. Nearby Locations - Daily Overtime

On nearby locations, employees shall not be relieved for the purpose of avoiding daily overtime work.

V. DISTANT LOCATION DEFINITIONS AND WORKING CONDITIONS

Distant Location Minimum Wage Scale

29. (a) (1) The following distant location minimum wage scale shall be effective for the period commencing with July 29, 2007 to and including August 2, 2008.

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Distant Location Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 9½ hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
Occ. Code	Classification	Reg. Basic Hourly Rate			
No.		Per Hour	Per Day	Per Week	Per Week
3500	Transportation Coordinator	None ²			
3501	1st On Production Driver Gang Boss Hired	\$34.54 ³			
3502	All Other Gang Bosses (except Occ. Code Nos. 3551 and 3581)	31.45 ^{3, 4, 5}			
3511	Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles	17.51			
3518	Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles who “regularly worked” for the Producer in Occ. Code No. 3511 as defined in footnote 6	24.09 ⁶			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Distant Location Minimum Rates				
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 9½ hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”	
		Reg. Basic Hourly Rate				
Occ. Code	No. Classification	Per Hour	Per Day	Per Week	Per Week	
	3512 Drivers of other vehicles which require a Class C license to operate -- crew cabs, pick-up trucks, lot tractors (shop mules or hooties), 5-ton trucks -- and condors	\$25.52				
	3513 “Hyphenate” Driver/ Craftsperson	7				
	3520 Drivers of vehicles requiring a Class B license to operate, including operators of maxivans (10 or more passengers), buses (excluding forty (40) passenger buses), dump trucks, 5-ton crew cabs, crew cabs towing trailers less than 6,000 lbs. off the lot, forklifts (excluding pettibone forklifts), skip loaders, water trucks and motor homes, but excluding 10-ton trucks	27.84 ⁸				

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Distant Location Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 9½ hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code No.	Classification	Per Hour	Per Day	Per Week	Per Week
3521	Drivers of forty (40) passenger buses, 10-ton trucks and pettibone forklifts and drivers of vehicles requiring a Class A license to operate, including vehicles towing trailers over 6,000 lbs. and operators of cranes, back hoes, bulldozers, heavy duty tractors and honey wagons	\$30.02 ⁸			
3523	Camera Car Driver	34.54 ⁹			
3524	Production Van Driver/ Operator	35.26 ¹⁰			
3525	Stunt and/or Blind Driver	None ¹¹			
3526	Chapman Crane Operator	34.54			
3531	Automotive Service Person	17.51			
3532	Automotive Service Person who “regularly worked” for the Producer in Occ. Code No. 3531 as defined in footnote 6	24.09 ⁶			
3543	Dispatcher	31.45 ⁴			
3550	Ramrod	None ^{2, 12, 13}			
3551	Wrangler Gang Boss	31.59 ¹²			
3561	Wrangler	29.21			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Distant Location Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 9½ hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code	No. Classification	Per Hour	Per Day	Per Week	Per Week
	3562 Driver/Wrangler	\$30.02 ¹⁴			
	3563 Wrangler (Pick Up)	44.06			
	3565 Wrangler (Braider)	36.92			
	3571 Trainer (Domestic Livestock)	None ¹⁵			
	3573 Trainer (Stable)	40.44 ¹⁵			
	3575 Wild Animal Trainers	40.44 ^{15, 16, 17}			
	3576 Wild Animal Handlers	35.09 ^{16, 17}			
	3581 Automotive Gang Boss	34.54 ^{18, 19}			
	3591 Automotive Mechanic	31.66 ^{18, 19}			
	3592 Dog Trainer	35.09 ^{15, 16, 20, 21}			
	3593 Dog Handler	29.21 ^{16, 21}			

Footnotes applicable to this Paragraph 29.(a)(1) begin on page 118.

- (2) The following distant location minimum wage scale shall be effective for the period commencing with August 3, 2008 to and including August 1, 2009.

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Distant Location Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 9½ hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code No.	Classification	Per Hour	Per Day	Per Week	Per Week
	3500 Transportation Coordinator	None ²			
	3501 1st On Production Driver Gang Boss Hired	\$35.58 ³			
	3502 All Other Gang Bosses (except Occ. Code Nos. 3551 and 3581)	32.39 ^{3, 4, 5}			
	3511 Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles	17.51			
	3518 Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles who “regularly worked” for the Producer in Occ. Code No. 3511 as defined in footnote 6	24.81 ⁶			
	3512 Drivers of other vehicles which require a Class C license to operate -- crew cabs, pick-up trucks, lot tractors (shop mules or hooties), 5-ton trucks -- and condors	26.29			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Distant Location Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 9½ hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code	No. Classification	Per Hour	Per Day	Per Week	Per Week
	3513 “Hyphenate” Driver/ Craftsperson	7			
	3520 Drivers of vehicles requiring a Class B license to operate, including operators of maxivans (10 or more passengers), buses (excluding forty (40) passenger buses), dump trucks, 5-ton crew cabs, crew cabs towing trailers less than 6,000 lbs. off the lot, forklifts (excluding pettibone forklifts), skip loaders, water trucks and motor homes, but excluding 10-ton trucks	\$28.68 ⁸			
	3521 Drivers of forty (40) passenger buses, 10-ton trucks and pettibone forklifts and drivers of vehicles requiring a Class A license to operate, including vehicles towing trailers over 6,000 lbs. and operators of cranes, back hoes, bulldozers, heavy duty tractors and honey wagons	30.92 ⁸			
	3523 Camera Car Driver	35.58 ⁹			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Distant Location Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 9½ hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code	No. Classification	Per Hour	Per Day	Per Week	Per Week
	3524 Production Van Driver/ Operator	\$36.32 ¹⁰			
	3525 Stunt and/or Blind Driver	None ¹¹			
	3526 Chapman Crane Operator	35.58			
	3531 Automotive Service Person	17.51			
	3532 Automotive Service Person who “regularly worked” for the Producer in Occ. Code No. 3531 as defined in footnote 6	24.81 ⁶			
	3543 Dispatcher	32.39 ⁴			
	3550 Ramrod	None ^{2, 12, 13}			
	3551 Wrangler Gang Boss	32.54 ¹²			
	3561 Wrangler	30.09			
	3562 Driver/Wrangler	30.92 ¹⁴			
	3563 Wrangler (Pick Up)	45.38			
	3565 Wrangler (Braider)	38.03			
	3571 Trainer (Domestic Livestock)	None ¹⁵			
	3573 Trainer (Stable)	41.65 ¹⁵			
	3575 Wild Animal Trainers	41.65 ^{15, 16, 17}			
	3576 Wild Animal Handlers	36.14 ^{16, 17}			
	3581 Automotive Gang Boss	35.58 ^{18, 19}			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399	Distant Location Minimum Rates			
	Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 9½ hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
	Reg. Basic Hourly Rate			
Occ. Code No. Classification	Per Hour	Per Day	Per Week	Per Week
3591 Automotive Mechanic	\$32.61 ^{18, 19}			
3592 Dog Trainer	36.14 ^{15, 16, 20, 21}			
3593 Dog Handler	30.09 ^{16, 21}			

Footnotes applicable to this Paragraph 29.(a)(2) begin on page 118.

- (3) The following distant location minimum wage scale shall be effective for the period commencing with August 2, 2009 to and including July 31, 2010.

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Distant Location Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 9½ hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
Occ. Code	Classification	Reg. Basic Hourly Rate			
No.		Per Hour	Per Day	Per Week	Per Week
3500	Transportation Coordinator	None ²			
3501	1st On Production Driver Gang Boss Hired	\$36.65 ³			
3502	All Other Gang Bosses (except Occ. Code Nos. 3551 and 3581)	33.36 ^{3, 4, 5}			
3511	Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles	18.04			
3518	Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles who “regularly worked” for the Producer in Occ. Code No. 3511 as defined in footnote 6	25.55 ⁶			
3512	Drivers of other vehicles which require a Class C license to operate -- crew cabs, pick-up trucks, lot tractors (shop mules or hooties), 5-ton trucks -- and condors	27.08			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Distant Location Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 9½ hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code	No. Classification	Per Hour	Per Day	Per Week	Per Week
	3513 “Hyphenate” Driver/ Craftsperson	7			
	3520 Drivers of vehicles requiring a Class B license to operate, including operators of maxivans (10 or more passengers), buses (excluding forty (40) passenger buses), dump trucks, 5-ton crew cabs, crew cabs towing trailers less than 6,000 lbs. off the lot, forklifts (excluding pettibone forklifts), skip loaders, water trucks and motor homes, but excluding 10-ton trucks	\$29.54 ⁸			
	3521 Drivers of forty (40) passenger buses, 10-ton trucks and pettibone forklifts and drivers of vehicles requiring a Class A license to operate, including vehicles towing trailers over 6,000 lbs. and operators of cranes, back hoes, bulldozers, heavy duty tractors and honey wagons	31.85 ⁸			
	3523 Camera Car Driver	36.65 ⁹			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Distant Location Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 9½ hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code	No. Classification	Per Hour	Per Day	Per Week	Per Week
	3524 Production Van Driver/ Operator	\$37.41 ¹⁰			
	3525 Stunt and/or Blind Driver	None ¹¹			
	3526 Chapman Crane Operator	36.65			
	3531 Automotive Service Person	18.04			
	3532 Automotive Service Person who “regularly worked” for the Producer in Occ. Code No. 3531 as defined in footnote 6	25.55 ⁶			
	3543 Dispatcher	33.36 ⁴			
	3550 Ramrod	None ^{2, 12, 13}			
	3551 Wrangler Gang Boss	33.52 ¹²			
	3561 Wrangler	30.99			
	3562 Driver/Wrangler	31.85 ¹⁴			
	3563 Wrangler (Pick Up)	46.74			
	3565 Wrangler (Braider)	39.17			
	3571 Trainer (Domestic Livestock)	None ¹⁵			
	3573 Trainer (Stable)	42.90 ¹⁵			
	3575 Wild Animal Trainers	42.90 ^{15, 16, 17}			
	3576 Wild Animal Handlers	37.22 ^{16, 17}			
	3581 Automotive Gang Boss	36.65 ^{18, 19}			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Distant Location Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 9½ hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code	No. Classification	Per Hour	Per Day	Per Week	Per Week
	3591 Automotive Mechanic	\$33.59 ^{18, 19}			
	3592 Dog Trainer	37.22 ^{15, 16, 20, 21}			
	3593 Dog Handler	30.99 ^{16, 21}			

Footnotes applicable to this Paragraph 29.(a)(3) begin below.

¹ “Off Production Employees - Ten Hour/Four Day Workweek - The Producer may schedule “off production” employees to work on a daily basis with a ten (10) hour minimum call at straight time, provided the employee is guaranteed forty (40) hours within his workweek. An individual employed on the basis of a ten hour/four day workweek shall be paid time and one-half for the fifth or sixth day worked within his workweek and double time for the seventh day worked within his workweek. The guaranteed pay of such employees who absent themselves without the Producer’s consent may be reduced one-fourth (¼) of the weekly guarantee for each day of absence.

² Exempt Employees - The Producer and the individual employee shall enter into individual negotiations prior to the start of employment in such classification for the purpose of establishing an individual flat rate which shall be considered as exempt from the Fair Labor Standards Act and related applicable state laws and shall not be subject to overtime, meal periods, meal penalties, call-back provisions or other premium pay conditions contained herein; (provided, however, that for purposes of Motion Picture Industry Health Plan and Motion Picture Industry Pension Plan contributions, see Article 11, Article 12(d) and Article 13(d)).

When working “on production,” a Transportation Coordinator shall be paid not less than the lowest paid full-time driver employed on such production. There shall be no self-dealing in the application of this provision.

³ Driver Gang Boss - The first “on” production Gang Boss employed by the shooting company shall be paid at the rate set forth in the wage schedule and shall be considered the primary Gang Boss. Such premium rate shall be limited to one such Gang Boss on the shooting company. All subsequent “on” production Gang Bosses hired and all “off” production Gang Bosses shall be employed at the rate set forth in the wage schedule designated as “all others.” See Paragraph 82 re “‘On’ and ‘Off’ Production.”

⁴ The rate for Occ. Code 3502, All Other Gang Bosses, and Occ. Code No. 3543, Dispatcher, is \$1.00 per hour above the rate for Occ. Code No. 3521.

⁵ The rate for persons employed in Occ. Code No. 3502, All Other Gang Bosses, in the film processing laboratories shall be: \$29.86 per hour for the period July 29, 2007 to and including August 2, 2008; \$30.76 per hour for the period August 3, 2008 to and including August 1, 2009; and \$31.68 per hour for the period August 2, 2009 to and including July 31, 2010.

⁶ Employees who “regularly worked” in Occ. Code Nos. 3511 or 3531, as herein defined, shall be eligible to be paid pursuant to Occ. Code Nos. 3518 or 3532, respectively. An employee shall be considered to have “regularly worked” in Occ. Code No. 3511 and/or 3531 if he was employed in said classification(s) for not less than three hundred (300) days by a single Producer during any two (2) consecutive year rolling period, going back as far as August 1, 2005. Once an employee has worked three hundred (300) days for a single Producer in Occ. Code No. 3511 or 3531, he shall so advise the Producer, who shall verify whether the employee meets the aforesaid experience requirement. If so, then the employee shall be upgraded to the Occ. Code No. 3518 or 3532 wage rate, as applicable, on the first day of the month following the Producer’s verification of the experience requirement.

⁷ Hyphenate Drivers

(a) Persons employed in the Hyphenate Driver job classification may be assigned to perform lot jobs such as routine or minor repairs, maintenance of buildings and grounds, electrical maintenance, furniture moving and similar facility jobs.

- (b) Hyphenate Driver job assignments will be posted for a period of five (5) working days to allow qualified persons to bid.

The Producer will select based on qualifications; however:

- (1) preference shall be given to persons with seniority within their respective bargaining units (listed above) when the employees applying for such bid job possess, in the opinion of the Producer, the requisite skill, ability and personal qualifications;
- (2) to the extent practicable and consistent with the skill, ability and personal qualification requirements set forth above, the Producer shall in good faith endeavor to select Hyphenate Drivers on a balanced basis, selecting an equal number of employees to fill Hyphenate Driver openings from each of the affected locals.

Each of the affected Local Unions will be given reasonable advance notice prior to the posting of such bid job(s). Prior to implementation of the bid job, the Producer will submit to the Local Union all pertinent information, such as job description, wage rate, basis of employment and person selected. A person so selected may be retained out of seniority for the duration of the assignment, which shall be for period of one year unless work is no longer available. Such job(s) shall be subject to bidding each year.

When performing such work, the employee(s) will be paid the higher of the applicable wage rates, plus an additional \$1.00 per hour.

- (c) With respect to IATSE classifications, the use of hyphenate drivers is subject to agreement by the IATSE on a Local-by-Local basis.
- (d) Hyphenate Drivers may be temporarily replaced by another Hyphenate Driver without bidding for the temporary leave, so long as the replacement is for ninety (90) or fewer days.

⁸ Special Equipment - This rate has been established through negotiations for the purpose of paying individuals in accordance with the license requirements for the equipment listed. This rate shall not be paid for moving the equipment from place to place or spotting or gassing, etc.

- ⁹ Shall include drivers of any motor vehicles used in running shots in tandem to the Camera Car. Rate does not apply when Camera Car is merely moved around the studio, such as when it is taken to the Camera Department for loading the evening prior to departure for a location or moving it to the gasoline pump. On distant location, the Camera Car rate shall be applicable on any day it is operated by its driver, but not on days when such driver only operates equipment not classified as special equipment.
- ¹⁰ Production Van Driver/Operator - Applicable when a Production Van Driver employed under this Agreement is concurrently assigned to perform Journeyman Electrician work under the terms and conditions of the Producer- International Brotherhood of Electrical Workers, Local #40 Agreement.
- ¹¹ This rate is subject to individual negotiation. In the event a stunt or “blind” driver has not completed his individual negotiations at the completion of the day’s work and further negotiations are necessary, he may be represented by an authorized representative of the Union to complete such negotiations.
- ¹² On distant location, the first Wrangler Gang Boss/Ramrod hired shall be paid the #3501 Driver Gang Boss rate.
- ¹³ Wrangler Ramrod - The Wrangler Ramrod rate may be individually negotiated by each individual so employed.
- ¹⁴ Driver/Wranglers - This rate shall be used when a Wrangler drives the animals that he is wrangling. A Driver/Wrangler must possess the appropriate endorsements for driving of vehicles.
- ¹⁵ “On Call” - The Producer may establish an “on call” salary for the designated wage classification upon mutual consent of employee and Union. See also “II. STUDIO WORKING CONDITIONS,” Paragraphs 4 and following; and Paragraph 33, “Distant Location Pay Provisions.”
- ¹⁶ Producer may require party furnishing smaller wild animals or dogs to deliver to the studio. Compensation time of Wild Animal Trainer or Wild Animal Handler or of Dog Trainer or Dog Handler to begin and end at the studio; provided, however, if such Trainer or Handler is not the owner of the smaller wild animals or the dogs, compensation time shall be paid from and to the compound or kennel. If such Trainer or Handler is not the owner of the smaller wild animals or of the dogs but supplies the car used for

transporting them, he shall be paid an allowance of \$.30 per mile for such transportation.

¹⁷ Undomesticated Quadrupeds - shall include undomesticated quadrupeds of the phylum mammalia.

¹⁸ Mechanics Driving on Location - Notwithstanding the provisions of Paragraph 62(c) hereunder, when Mechanics are sent to a location, they may be permitted to drive service equipment for the purpose of maintenance and repair and to haul tools and parts for the purpose of such maintenance and repair, but not men or materials - except they may be permitted to transport another mechanic or auto service man. Mechanics may also be permitted to drive "U-Drive" equipment hired at the location site and perform the duties of a driver with such piece of equipment. When five (5) or more pieces of equipment are on a location, the Producer may have an Automotive Mechanic perform the duties of a Driver to, from and on such location.

¹⁹ Heavy Duty Work - The Automotive Gang Boss rate shall apply during the period when an Automotive Mechanic is performing heavy duty work. The term "heavy duty work" shall mean work on the drive train, including axles, of a diesel-powered or gasoline-powered vehicle weighing five (5) tons or more.

²⁰ Interview time shall be paid for in hourly units, commencing with the second hour.

²¹ Small Animals - shall include small animals such as squirrels, rabbits, guinea pigs, hamsters, etc.

30. Distant Location Conditions and Wages

When units working on distant locations in the thirteen (13) western states (Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming) and the western Canadian provinces of British Columbia, Alberta and Saskatchewan rent or buy additional equipment or rent or buy animals, the Drivers of said equipment and the Wranglers shall work under conditions and wages not less favorable than those stipulated above; provided, however, that Article 11, above, entitled "**Health Plan**," Article 12, above, entitled "**Pension Plan**" and Article 13, above, entitled "**Motion Picture Industry Health Plan - Retired Employees Fund**," shall not be applicable to such persons. The parties agree that the aggregate rate for wages and fringes in the thirteen (13) western states shall equate to the aggregate rate for

wages and fringes as stated herein, even though the wage or fringe component may be less than the comparable rate in this Agreement. In hiring personnel at the location, the Producer will use its best efforts to notify the business agent for the Local Union involved at least seventy-two (72) hours in advance and will consult with said business agent regarding the selection of qualified local hires provided that the Producer will make the final decision.

The Union hereby confirms that employees hired locally within the thirteen (13) western states pursuant to this Paragraph 30 may be required to report to work at any location within a thirty (30) mile radius of the production office. Should the Producer desire to establish additional “zone locations” within the thirteen (13) western states, the Producer shall request same of the Union, identifying the location of the proposed production office. The Union shall not unreasonably deny the request. It is understood that local hires who report to work within said zone shall be subject to “studio” conditions, as reflected in this Agreement.

The foregoing shall not affect the Producer’s rights with respect to the Los Angeles Studio Zone.

31. Domesticated Livestock or Undomesticated Animals Taken from Los Angeles County

When domesticated livestock or undomesticated animals (four-legged) are taken from Los Angeles County to a distant location in the United States, its territories and Canada, such livestock shall be handled by an employee subject to the terms of this Agreement.

32. Wranglers Horseshoeing on Distant Location

If Producer intends to hire a qualified Wrangler to do horseshoeing, the Producer shall first notify the Union.

33. Distant Location Pay Provisions

(a) Rates and schedules for all employees shall be as specified in the Distant Location Wage Schedule (Paragraph 29).

(b) The regular distant location workweek shall consist of any six (6) consecutive days out of any seven (7) consecutive days, commencing with the first of such six (6) days. However, the six (6) consecutive day requirement shall not apply upon the commencement of any regularly-scheduled six-day-per-week shift. (For example, on starting a new shift, a schedule that provides for an employee to

work on Monday and Tuesday, with Wednesday as a regular day off, and is followed by work on Thursday through the following Saturday does not violate the six (6) consecutive days requirement.)

Each employee is guaranteed pay for the minimum call as work time for each day worked in his regular workweek on distant location. The minimum daily call on distant location is nine and one-half (9½) hours (excluding the seventh day worked in an employee's workweek, which shall have an eight (8) hour minimum call) with time and one-half (1½) after eight (8) hours on a given day and time and one-half (1½) after forty (40) hours in a given week. Employees shall hold themselves in readiness to serve the Producer during such time and such additional time as the Producer may require.

A daily schedule employee who is not required to work on the sixth or seventh day in his workweek on distant location shall receive a four (4) hour straight time pay allowance at the minimum wage rate, plus pension and health contributions for eight (8) hours.

The Union agrees to consider in good faith, on a production-by-production basis, requests for a waiver of the requirement to pay a four (4) hour allowance for the seventh day not worked on distant location. Such requests shall be made to the Chairman of the Basic Crafts Unions.

(See Paragraph 36 for travel time pay provisions.)

(c) "On Call" employees shall receive, in addition to their current studio rate, a distant location allowance of six dollars (\$6.00) per diem. (See footnote 15 to the wage scales.)

(d) The day of departure and the day of return shall be considered distant location days.

(e) Seventh Day Worked in an Employee's Workweek on Distant Location

All employees are paid at their scheduled Regular Basic Hourly Rates. Minimum call: eight (8) hours. All computations are separate and apart from regular workdays.

	Daily Employees
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Seventh Day Worked in the Employee's Workweek	Double time, separate and apart.
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(See Paragraph 36 for work-and-travel.)

(f) “On Call” Employees’ Pay Provisions for the Sixth and Seventh Day in an Employee’s Workweek on Distant Location and Partial Workweeks

Notwithstanding any other provision of this Agreement, the following shall apply to employees hired under the “On Call” schedule with respect to employment on the sixth or seventh day in an employee’s workweek on distant location, whether work is performed or not:

Sixth or Seventh Day in an “On Call” Employee’s Workweek

Unless agreed to otherwise by the employee and the Producer, with respect to such sixth or seventh day in an “on call” employee’s workweek on distant location, if the employee is on distant location for six (6) days in the week, including such a sixth day in an employee’s workweek, and is not required to work on such sixth day, he will receive an allowance equal to one-twelfth (1/12) of the scheduled studio minimum “on call” rate, plus pension and health contributions for seven (7) hours. If the employee is on distant location for seven (7) days in such workweek, and is not required to work on such seventh day, he will receive an allowance equal to one-twelfth (1/12) of the scheduled studio weekly minimum “On Call” rate, plus pension and health contributions for eight (8) hours for the seventh day not worked.

If work is actually performed on the sixth day in an employee’s workweek in such a distant location week at the direction of the Producer, then for such sixth day when work is performed by such employee, the employee shall be paid an additional amount equal to one-sixth (1/6) of the scheduled studio minimum “on call” salary in effect. If work is actually performed on the seventh day in an employee’s workweek in such a distant location week at the direction of the Producer, then for such seventh day when work is performed by such employee, the employee shall be paid an additional amount equal to one-third (1/3) of the scheduled studio weekly minimum “On Call” salary in effect separate and apart from any allowance due for the sixth day in the employee’s workweek on location pursuant to the above.

Notwithstanding any agreement between an employee and Producer, the aggregate compensation paid to such employee shall be not less than the

scheduled studio weekly minimum “on call” rate plus the additional compensation due for the sixth or seventh day in the employee’s workweek required hereinabove.

As a matter of policy, the Producer will attempt to give the Union notice of such agreement. An inadvertent failure to give such notice shall not be considered a breach of such policy.

Partial Workweek

In a partial workweek consisting of studio workdays and distant location workdays, studio days shall be prorated at one-fifth (1/5) of the scheduled studio minimum “On Call” rate, and distant location days shall be prorated at one-sixth (1/6) of the scheduled studio minimum “On Call” rate. Provided, however, that for any five (5) consecutive days within a workweek the employee shall be paid not less than the scheduled studio minimum “On Call” rate.

(g) Holidays on Distant Location

All employees are paid at their scheduled Regular Basic Hourly Rates. Minimum calls are as specified in Paragraph 33(b).

If a holiday falls on a Saturday, it will be observed on Saturday.

	Daily Employees
Holidays Not Worked	Work time credit of minimum call. This is compensation for readiness to perform services, even though no actual work is required.
Holidays Worked	Double time. (Hours worked are excluded from weekly computation for the six-day workweek.)

(See Paragraph 36 for work-and-travel.)

“On Call” Employee Work on a Recognized Holiday

If an “On Call” employee is specifically instructed and required by Producer to perform work on a recognized holiday on distant location, under the direction and control of Producer, then Producer shall, for each such recognized holiday so worked, pay such employee one-sixth (1/6) of such employee’s “On

Call” weekly salary in effect on such a recognized holiday worked, payable not later than the second Thursday following his return to the studio.

In addition to the provisions of subparagraphs (a), (b) (first paragraph only), (c), (d), (f) and (g) of this Paragraph 33, only Paragraphs 34 and 35 are applicable to “On Call” employees.

34. Distant Locations Defined

Distant locations are locations on which the employee is required to remain away and be lodged overnight.

35. Traveling Expenses and Accommodations

The employee’s necessary traveling expenses, meals and lodging shall be made available at the Producer’s expense. For travel anywhere in the United States, Canada and Mexico, the Producer shall furnish air transportation to and from distant location. For travel outside the United States, Canada and Mexico, employees shall be furnished business class air transportation, except that when business class accommodations are not available, employees shall travel first class. Producer agrees to use its best efforts to furnish and maintain, during travel time, reasonably comfortable riding conditions in the class of transportation provided, avoiding overcrowding and providing proper space for baggage and tools.

Producer will direct the employee that he must use the Producer’s form of transportation to distant location. In those instances in which Producer purchases public air transportation to and from such location site, the Producer agrees to purchase tickets refundable only to Producer.

Employees on distant location shall be entitled to single room housing when it is reasonably available.

36. Travel Time, Work-and-Travel Conditions and Pay Provisions

(a) An employee (other than an “on call” employee) who is transported by airplane, train, bus or other private or common carrier by the Producer to distant location on any day of the week (including holidays) and who is not required to work on such travel day shall receive an allowance of four (4) hours of pay at straight time or pay for time travelled, whichever is greater, but in no event more than eight (8) hours of pay at straight time.

An “on call” employee who travels to or from distant location shall be paid an allowance of one-sixth (1/6) of the scheduled minimum weekly “on call” rate for any day so travelled.

(b) No Clause.

(c) Travel-and-Work or Work-and-Travel

Travel time within the minimum call shall be paid for as work time and computed towards the commencement of Golden Hours, but shall not be paid for at the Golden Hour rate. If travel time occurs outside the minimum call, it shall be deemed to be “work time,” but shall not be used in determining the commencement of Golden Hours. However, travel time occurring outside the minimum call 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.

For example - (applicable only when the minimum call is nine and one-half (9½) hours):

(1) On day of departure, employee travels ten (10) hours, then works five and one-half (5½) hours. All hours are deemed work time and fifteen (15) hours are computed toward Golden Hours.

(2) On day of return, employee works eight (8) hours and travels seven (7) hours. All hours are deemed work time but only nine and one-half (9½) hours are computed toward Golden Hours.

(3) Other Travel Provisions

(i) Distant location working conditions shall apply on the day of departure, day of return and intervening days.

(ii) Local Travel Time

There shall be no deduction from work time for local travel time on distant locations. For the purposes of this Paragraph, “local travel time” is defined as the actual time consumed at the beginning and ending of each day’s work in transporting the employee to and from the housing base at distant location and the shooting site or place of work.

(d) Time Spent Waiting to Travel on Day of Departure from Distant Location

On the day of departure from a distant location, when sleeping accommodations at the location are not available to the employee after 9:00 p.m., time spent after 9:00 p.m. in waiting for transportation, when the minimum call is not in effect, shall be compensated for as an allowance.

(e) Travel Insurance

The Producer shall provide accidental death insurance in a sum not less than one hundred thousand dollars (\$100,000) for the benefit of the employee's designated beneficiary when the employee is required to travel at the request of the Producer in transportation furnished by the Producer.

Employees shall be permitted to fill out a form specifying a beneficiary. Such form shall be filed with the designated representative of the Producer.

An employee, by refusing in good faith to travel by airplane, will not jeopardize his future working opportunities on assignments which do not require travel by airplane.

(f) Truck Travel

An employee required to ride a truck and assigned to and responsible for the care of the cargo in transit shall be deemed working and not traveling for the purposes of Golden Hours.

37. Call-backs

There are no call-back provisions on distant location.

38. Sixth Day Worked on Distant Location

The sixth day worked in an employee's workweek on distant location is a straight time day.

39. Golden Hours on Distant Location

(a) Travel time to be used in the computation of Golden Hours shall be subject to the following:

If travel time, with other than truck transportation as above provided in Paragraph 36(f), added to recesses (if any) immediately before and after such travel, totals less than eight (8) hours, such interval shall be deemed an “interruption” for the purposes of Golden Hours, but if such interval equals eight (8) or more hours, it shall be considered a “full rest period.”

(b) The rate for Golden Hours for distant location employment shall be as follows: For such employment occurring on any day other than a holiday or the seventh day worked in an employee’s workweek, two and one-half (2½) times the employee’s scheduled Regular Basic Hourly Rate. For such employment occurring on a holiday or the seventh day worked in the employee’s workweek, five (5) times the employee’s scheduled Regular Basic Hourly Rate.

(c) In addition, Paragraphs 10(b), (c) and (d), as modified in this Paragraph, shall apply.

40. Meal Periods on Distant Location

(a) Meal periods (not counted as time worked) shall be not less than one-half (½) hour nor more than one (1) hour in length. If an employee works less than nine and one-half (9½) hours on a shift, only one meal is to be deducted. If the employee works nine and one-half (9½) hours or more, more than one meal period may be deducted.

(b) Except as provided in subparagraph (c) below:

(1) An employee’s first meal period shall commence no earlier than two (2) hours after such employee reports for work and no later than six (6) hours after reporting for work; and

(2) Subsequent meal periods shall be called not later than six (6) hours after the expiration of the previous meal period.

There will be a twelve (12) minute grace period, which is not to be a scheduled grace period, prior to imposition of any meal penalty.

(c) When necessary to phase any employee into the meal schedule of the remainder of the crew, such employee may be given a reasonable meal without deducting the time spent in eating (30 minutes) from work time, in which case a deductible meal for such employee may be within six (6) hours thereafter. Unless specifically directed by an authorized representative of the Employer not to eat, it will be assumed that the employee has eaten and the next meal period will be calculated from the end of the non-deductible meal.

The Employer may either provide food for the meal at the Employer's expense or pay the employee an allowance as reimbursement therefor. Such meal allowance shall be \$7.50 for meal periods between 2:00 a.m. and 10:00 a.m.; \$10.00 for meal periods after 10:00 a.m. but before 6:00 p.m. and \$12.50 for meal periods after 6:00 p.m. but before 2:00 a.m.

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

First one-half (1/2) hour meal delay or fraction thereof.	\$10.00
Second one-half (1/2) hour meal delay or fraction thereof.	\$12.50
Third and each succeeding one-half (1/2) hour meal delay or fraction thereof.	\$15.00

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) As an alternative to the provisions of subparagraph (a) through (d) above as they relate to "on production" employees, the Producer, at its option, may institute "French hours" on a daily basis for "on production" employees, so long as a "French hours" system applies to all crew members. Meal time shall not be deductible.

41. Night Premiums on Distant Location

There are no night premiums on distant location.

42. Time Cards on Distant Location

Time cards shall be approved by a representative of the Producer. The employee's starting and finishing time, deductible meal periods, rate changes and penalties, if any, shall be shown on his time card. Any items changed after time card is approved must be reviewed by the employee.

43. Clean-Up Facilities on Location

With respect to employees who are required by Producer to travel on public transportation on a work-and-travel day, upon completion of work on the day of departure from a location, the Producer shall make available two (2) rooms where members of the crew who performed manual work may change and wash up, unless rooms are not available as a result of circumstances beyond the Producer's control.

With respect to employees who are required by Producer to travel on public transportation on a work-and-travel day, upon completion of work at the studio on the day of departure, an adequate opportunity shall be afforded members of the crew who performed manual work to change and wash up.

If such opportunity and facilities are not so made available to such employee as required above, each such employee shall be paid, in addition to other compensation due, an allowance at straight time for the length of the return travel time.

44. Other Working Conditions

Unless modified by Paragraphs 32 to 43 inclusive, all other studio working conditions shall prevail on distant location.

VI. GENERAL CLAUSES

45. Hazardous Work

The employee selected to perform hazardous work and Producer are to negotiate and agree upon a rate in advance for such work and, if no agreement is so reached, the employee will not jeopardize his working opportunities by refusing to perform work that is considered hazardous.

If an employee is required to sign a waiver due to hazardous conditions for any state or governmental agency or owner of private property, and he refuses to sign such waiver, he may be replaced, but such refusal shall not limit his future employment opportunities with Producer.

When an employee covered by this Agreement is working in close proximity and is exposed to the same hazard with the same degree of risk to which another employee covered by the IATSE Basic Agreement is exposed who has

negotiated a hazardous pay adjustment, the employee covered by this Agreement is entitled to that same hazard pay adjustment. In all other hazardous work situations, the amount of such adjustment shall be the subject of individual negotiations.

When Producer knows in advance that such a waiver is required, Producer will advise the Union of the situation.

46. Allowance for Aerial Flight Work

The following allowance shall be paid for taking motion pictures on aerial flights: sixty dollars (\$60.00) per flight, but to a maximum of one hundred eighty dollars (\$180.00) per day.

47. Cold and Wet Work

The Company shall issue to each driver suitable cold weather clothing and suitable wet weather clothing, which shall include hat and rubber footwear, for which said driver shall be financially responsible.

48. Overscale Employees

Rates of pay of overscale employees shall not be reduced by reason of this wage agreement.

49. Nearby and Distant Locations

Studio will notify Union of location and names of crew assigned. When selecting persons to drive to distant locations across state lines, the Producer will use its best efforts to notify a person selected seven (7) days in advance so that such persons shall comply with the DOT log requirements. This shall not be construed as a definite commitment for a minimum call.

50. Promotions

Any person in Industry Group 1 or 2 of the Industry Experience Roster may be hired as the first Gang Boss to take charge of a group of employees or a project. The Producer shall not employ additional Gang Bosses as a subterfuge to avoid hiring drivers in accordance with the seniority provisions of the Agreement. Any position that does not require the payment of Gang Boss rates pursuant to Paragraph 55, even though so designated and paid, shall be filled in accordance with the provisions of Paragraph 62 of this Agreement.

51. Quarterly Earnings Reports

At the end of each quarter, the Producer will submit a list of its employees subject to this Agreement, showing each employee's earnings for that quarter.

52. Flat Deals

Producer may individually negotiate "flat deal" agreements with individual Wrangler Ramrods, Dog Trainers, Wild Animal Trainers and Wild Animal Handlers in place of the terms and conditions hereunder, provided such deals shall not compute to less than the minimum rates provided herein for the Wrangler Ramrods, Dog Trainers, Wild Animal Trainers and Wild Animal Handlers, as the case may be.

53. Studio Pass

The duly authorized Business Representative of the Union shall be furnished a studio pass. Such pass will permit driving the Representative's car into the Producer's studio, lot or ranch, provided such is the custom and practice. He shall be permitted to visit any portion of the studio, lot or ranch necessary for the proper conduct of the business of the Union during working hours.

54. Stewards

The Union may designate, or redesignate, as the case may be, from the Industry Experience Roster described in Paragraph 62(b), an employee as a Steward, for a period of not longer than three (3) years for each such designation or redesignation as the case may be, to inspect all working conditions affecting the terms of this Agreement. The Union may make such a designation or redesignation or remove such Steward at any time, but shall discuss the matter with the Producer before doing so.

It shall be the responsibility of the Steward to settle minor grievances with the head of the department in which the grievance arises and, in the event such grievance cannot be adjusted, to notify his Business Representative. The Steward so designated shall be permitted to perform these duties, but such duties shall not unduly interfere with his work and he shall not leave his station without notifying his immediate supervisor.

Such Steward shall not be laid off, or when on layoff shall be the first to be rehired, during his above-described term as such Steward as long as there is work available for him in his department; provided that: such Steward is willing to do,

and is qualified physically and possesses the necessary ability and skill for, the particular work to be performed; such Steward shall not have any such preference in layoff or recall over the Department Head, if there is any in the unit, or over any employees classified and paid as dispatchers, foremen, gang or shift bosses, station jobs or supervisory employees. Producer's right to discharge such Steward for cause shall not be limited in any manner by this provision; such Steward shall be subject to the provisions of Paragraph 62, "**Seniority**;" such preference in layoff or recall shall not apply on the sixth or seventh day worked in such Steward's workweek or holidays, nor to station jobs, nor where it would disturb the continuity of a project; and such Steward shall not have such preference over employees who have been specially rehearsed or cued for a job, nor persons operating specialized equipment.

Under this provision, only one such Steward may ordinarily be designated who will have such preference in layoff and rehire as provided above. This does not preclude the Union from appointing "acting" Stewards, but such employees shall not be considered, in any manner whatsoever, as Stewards hereunder for the purpose of preference in layoff and rehire, as above provided, unless the Steward entitled to such preference in layoff and rehire is on vacation or on distant location in which case an "acting" Steward designated by the Union shall be accorded such preference in layoff and rehire. The Union shall notify Producer in advance of any such appointment. In those instances in which there is more than one Steward, both Stewards shall have equal preference in layoff and rehire.

55. Employment of Gang Bosses

Studio

Gang Boss rates will be paid to those workers designated by the Producer to take charge of a crew of employees or a project. The Producer will not unreasonably fail to designate a Gang Boss on such jobs or projects that require Gang Boss supervision.

Distant Location

In the thirteen (13) western states (Alaska, Washington, Oregon, Montana, Idaho, Utah, Wyoming, Colorado, California, Nevada, Arizona, New Mexico, Hawaii) and the western Canadian provinces of British Columbia, Alberta and Saskatchewan, when "Teamsters" are hired at a distant location and a "Teamster" Gang Boss is required, such Gang Boss shall be a person subject to the provisions of Paragraph 62, "**Seniority**," herein. (See Paragraph 59(d).)

56. Leaves of Absence

A regular employee's request for a leave of absence not to exceed six (6) months will be given consideration by the Producer, and the Producer will not unreasonably refuse to grant such leaves of absence for good cause, provided the employee's services can be reasonably spared. All such requests for leaves of absence will be in writing. No such leave of absence will be extended beyond six (6) months, except for compelling reasons. An employee hereunder shall not be granted a leave of absence for the purposes of accepting employment with another employer in the motion picture production industry in a job classification covered by this Agreement, unless such action is mutually acceptable to the Producer, the employee, and the Union.

57. Non-Discrimination

The parties agree to continue to comply with all applicable federal and state laws relating to non-discriminatory employment practices.

Disputes arising under this provision are not subject to the provisions of Article 7, "**Grievance and Arbitration Procedure**;" such disputes are instead subject to non-binding mediation.

58. Documentaries, Industrials and Educational

The Producers and the Basic Crafts will continue to negotiate in order to arrive at a separate agreement regarding the making of documentaries, educationals and industrials.

59. Contracted Equipment or Services

When the Producer enters into a rental or a lease for equipment for use in the studio and in the thirteen western states (Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming) and the western Canadian provinces of British Columbia, Alberta and Saskatchewan, of independent outside contractor's equipment and drivers or operators for such equipment (which equipment would otherwise be operated by employees subject to this Agreement), the following conditions shall prevail:

(a) The Producer shall give the Union an opportunity to discuss the matter before making a contract.

(b) The Producer shall not contract out any work covered hereunder which, as a matter of Producer's historical custom and practice, has been performed by persons covered hereunder to any individual, firm, partnership or corporation, which work would otherwise be performed by available, qualified personnel subject to this Agreement, without first discussing the matter with the Union.

(c) Equipment, including promotional, not covered by (b) above, may be delivered to or picked up from a studio or location by the Vendor or party supplying same; however, when such equipment is operated thereafter in the service of the Producer for motion pictures, as defined herein, such equipment shall be operated by employees of the Producer subject to this Agreement.

(d) When a Producer rents a cinemobile or similar equipment, the driver assigned to such equipment shall not be designated as the gang boss for drivers subject to Paragraph 62.

(e) When Studio automotive equipment is taken to a distant location in the United States, its territories and Canada, such equipment shall be operated by an employee subject to the terms of this Agreement, and one such employee shall be designated as a Gang Boss.

(f) Rented or Contracted Motor Vehicles - Utilized for picture and/or other purposes, party supplying same may make delivery to the studio; thereafter, the driving or transportation of same to be under the same class of work as applies to Studio Transportation Drivers, Local #399.

(g) Distant Locations - Conditions and Wages - When units working on distant locations in the thirteen (13) western states (Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming) and the western Canadian provinces of British Columbia, Alberta and Saskatchewan, rent or buy additional equipment or rent or buy animals, the Drivers of said equipment and the Wranglers shall work under conditions and wages not less favorable than those stipulated above; provided, however, that Article 11 above, entitled "**Health Plan**," Article 12 above, entitled "**Pension Plan**," and Article 13 above, entitled "**Motion Picture Industry Health Plan - Retired Employees Fund**," shall not be applicable to such persons. The parties agree that the aggregate rate for wages and fringes in the thirteen (13) western states shall equate to the aggregate rate for wages and fringes as stated herein, even though the wage or fringe component may be less than the comparable rate in this Agreement. In hiring personnel at the location, the Producer will use its best efforts to notify the business agent for the Local Union

involved at least seventy-two (72) hours in advance and will consult with said business agent regarding the selection of qualified local hires provided that the Producer will make the final decision.

The Union hereby confirms that employees hired locally within the thirteen (13) western states pursuant to this Paragraph 30 may be required to report to work at any location within a thirty (30) mile radius of the production office. Should the Producer desire to establish additional “zone locations” within the thirteen (13) western states, the Producer shall request same of the Union, identifying the location of the proposed production office. The Union shall not unreasonably deny the request. It is understood that local hires who report to work within said zone shall be subject to “studio” conditions, as reflected in this Agreement.

The foregoing shall not affect the Producer’s rights with respect to the Los Angeles Studio Zone.

(h) Individuals referred to above shall not be employed at terms and conditions less favorable than those contained herein, except as otherwise permitted in subparagraph (g) above.

(i) Any alleged breach of this provision shall be subject to the grievance procedure in Article 7.

(j) Producers will not pay automobile allowances for driving work historically and customarily performed by persons covered by the collective bargaining agreement between the Producers and Teamsters, Local #399 and violations of this provision shall be subject to the grievance and arbitration procedure.

60. Employee Photographed

When any employee subject to the terms of this Agreement is photographed in front of a motion picture camera, he shall be employed under the appropriate terms of the Actors’ or Extras’ Agreement. When any employee is employed to render additional services other than actor or extra work (under the terms of this Agreement), he shall also be paid according to the provisions of such Agreement.

61. Foremen and Supervisory Employees

Notwithstanding anything contained in the Constitution and By-laws of the International Brotherhood of Teamsters or of STDU, Local #399 or in the obligation taken by any person upon becoming a member of the International

Brotherhood of Teamsters and/or any such Local Union, or otherwise, which directly, indirectly or impliedly places upon a foreman (or any person who is a supervisory employee within the meaning of that term as set forth in the Labor Management Relations Act of 1947, as amended) the duty or obligation to accord an unlawful employment preference to members of the International Brotherhood of Teamsters and/or the Local Union, such foreman or supervisory employee shall not give or recommend any unlawful employment preference and the International Brotherhood of Teamsters and such Local Union shall not in any manner discipline or threaten with discipline any such foreman or supervisory employee for failing or refusing to give or recommend any such unlawful employment preference.

62. Seniority

(a) Maintenance of the Studio Seniority Roster

Except as provided in Paragraph 68(a)(2) of the 1988 Local #399 Agreement and in Paragraph 68(a)(2) of the 2001 Local #399 Agreement, the Producer has established and will maintain a separate Studio Seniority roster for each respective classification grouping as described in Sections (d)(1), (2), (3), (4) and (5) below of this Paragraph 62. Each such Roster shall be composed of those persons in such classification grouping who were on the Seniority Roster as of July 31, 1991. Such persons shall be listed on such respective grouping Seniority Roster hereunder in the order of their seniority, based on the calendar year in which they were assigned to said Seniority Roster.

An employee who is removed or terminated from the Studio Seniority Roster, as provided in subparagraph (f) of this Paragraph 62, shall not be replaced and no further additions shall be made to such Roster.

(1) One Roster Only: No person who is registered on any one grouping Seniority Roster as above provided shall be eligible for any other grouping Seniority Roster, and no person who is registered on any other Motion Picture Producer's "Seniority Roster," as herein defined, shall be eligible for any other "Seniority Roster" hereunder. Each applicant for a Seniority Roster at the time of application shall certify in writing that he/she is not on any other grouping Seniority Roster or on any such other Motion Picture Producer's Seniority Roster.

(2) Dispatcher: Notwithstanding anything herein contained to the contrary, the following shall apply:

(i) A Dispatcher on the Dispatcher Studio Seniority Roster shall have the right to make, in writing to the Producer, one election only to be transferred from such Dispatcher Roster to the Driver Studio Seniority Roster. Upon making such election, such Dispatcher shall thereupon be placed on the Driver Studio Seniority Roster as of the studio seniority year that either (A) he/she had, if any, on the Driver Studio Seniority Roster, as of the date he was transferred to the Dispatcher Studio Seniority Roster, or (B) he/she has on the Dispatcher Seniority Roster, whichever is earlier. Once a Dispatcher has made such an election, he/she shall thereupon be removed from such Dispatcher Roster. Thereafter, he/she shall be transferred back to the Dispatcher Roster only upon the following condition: When such employee has completed one hundred fifty (150) days of work, all after the date of such election, referred to above, in the Dispatcher classification, within a twelve (12) consecutive month period, he/she shall be removed from such Driver Roster and transferred back to such Dispatcher Roster as of the month and calendar year in which he completed such one hundred fifty (150) days of work.

Likewise, any person transferred to the Dispatcher Seniority Roster as of a date subsequent to November 30, 1982 in accordance with the provisions of subparagraph (c)(1) herein shall be transferred to such Dispatcher grouping Seniority Roster as of the month and calendar year in which he/she completes the one hundred fifty (150) days of work in the Dispatcher classification, as herein required.

(ii) A Dispatcher on the Dispatcher Studio Seniority Roster who is "laid off" by Producer as a Dispatcher under these seniority provisions, or demoted by Producer, shall in such event be considered to also have studio seniority in the Driver grouping (#3501 through #3525) for purposes of employment in such grouping as of the seniority year that either (1) he/she has, if any, on the Driver Seniority Roster, as of the date he/she was transferred to such Dispatcher Roster or (2) he/she has on the Dispatcher Seniority Roster, whichever year is the earlier.

The use of "preferred lists" with independent Producers terminated as of October 31, 1988.

(b) Maintenance of Industry Experience Roster

Under prior collective bargaining agreements, signatory Producers have established an Industry Experience Roster, which will be maintained under this Agreement, composed of the names of employees subject to this Agreement who were included on said roster as of the signing of this Agreement and employees who thereafter satisfactorily fulfill all of the eligibility provisions set forth under Industry Group 3, below, including the actual performance of services hereunder in one or more of the job classifications covered by this Agreement in the production of motion pictures in the motion picture production industry in Los Angeles County or who have been hired hereunder in said county and performed such services outside said county. The physical maintenance of said roster shall be under the supervision of the Contract Services Administration Trust Fund.

Industry Group 1 of said Industry Experience Roster shall be composed of all such persons on said Industry Experience Roster as of July 31, 2007.

In addition, a person with at least ten (10) years of experience as a courier/driver shall be added to Industry Group 1 of the Industry Experience Roster, provided that such person otherwise satisfies the standards for Roster placement administered by CSATF (including, but not limited to, the requirement that the applicant possess a valid Class A driver's license at the time of application and that the applicant successfully complete alcohol and controlled substance testing). It is understood that the ten (10) years of experience set forth in this provision must consist of full-time experience (at least 1600 hours per year) with a single employer as a courier/driver in the State of California within the twelve (12) years immediately preceding the person's application for roster placement. It is further understood that placement on the Roster pursuant to this provision shall be without regard to the union affiliation of the applicant or of the applicant's previous employers.

Additional persons may be added to Industry Group 1 through the procedure set forth in Industry Group 2 below.

Industry Group 2 of said Industry Experience Roster shall be composed of all such persons who were in Industry Group 2 as of July 31, 2007. Additional persons may be added to Industry Group 2 as provided under Industry Group 3 below.

Persons in Industry Group 2 shall be transferred to Industry Group 1 upon completion of ten (10) years on the Industry Experience Roster. All such

transfers shall be made within each respective related job classification grouping only, as such groups are set forth in subparagraph 62(d) below.

Employees on the Industry Experience Roster in occupation codes 3501 through 3525 must obtain and maintain a valid California Class A driver's license, or the equivalent thereof, and appropriate medical certificate in order to be moved to or remain in Industry Group 1 or Group 2. Such requirement shall also exist for anyone transferring from other classifications to such occupational codes referred to herein. This requirement shall not apply to those persons who were placed in Industry Group 1 or 2 before the Class A (formerly Class 1) license requirement went into effect.

Industry Group 3 of said Industry Experience Roster shall be composed as follows:

A person who performs services in the job classifications covered by this Agreement for a total thereafter of at least thirty (30) actual workdays within a consecutive 365-day period collectively with one or more Producers engaged in the production of motion pictures in the Motion Picture Industry in Los Angeles County (under a collective bargaining agreement containing the same seniority provisions as those contained herein) shall have his work record reviewed by CSATF, provided that at least one of such workdays was performed within the 365 consecutive day period immediately preceding the date of his submitting an application to be placed on said Industry Experience Roster.

In addition, a person with at least five (5) years of experience as a courier/driver shall be added to Industry Group 3 of the Industry Experience Roster, provided that such person otherwise satisfies the standards for Roster placement administered by CSATF (including, but not limited to, the requirement that the applicant possess a valid Class A or Class B driver's license at the time of application and that the applicant successfully complete alcohol and controlled substance testing). It is understood that the five (5) years of experience set forth in this provision must consist of full-time experience (at least 1600 hours per year) with a single employer as a courier/driver in the State of California within the ten (10) years immediately preceding the person's application for roster placement. It is further understood that placement on the Roster pursuant to this provision shall be without regard to the union affiliation of the applicant or of the applicant's previous employers.

Each applicant for roster placement shall have the burden of establishing his or her eligibility. Such application shall be subject to appropriate verification by CSATF. The parties hereby confirm that I-9 information must be

provided to CSATF as a condition of placement on the Industry Experience Roster. If it is determined that any such applicant possesses the necessary work experience (as set forth above), then such applicant's name shall be placed in Group 3 of the Industry Experience Roster as of the date of the completion of the work experience which was the basis for applicant's eligibility (herein referred to as Roster date), subject to both of the following conditions:

(1) such Driver must possess a valid Class A or Class B California Driver's License at the time of application; and

(2) such Driver must satisfactorily pass a prescribed physical examination administered by medical doctors designated by CSATF.

Persons in Industry Group 3 who possess a Class A license shall be transferred to Industry Group 2 after two (2) years on the Industry Experience Roster.

Notwithstanding anything to the contrary in this Paragraph 62, a person employed as a "hyphenate" driver/craftsperson (Occ. Code No. 3513) or as a cook/driver (Occ. Code No. 3512) shall not be required to possess a valid California Class A or Class B driver's license as a condition of placement on the Local #399 Industry Experience Roster. Any such person who has satisfied the work experience requirement for roster placement may be placed in Industry Group 3 of the Local #399 Industry Experience Roster. However, such person may not be transferred to Industry Group 2 until he/she has obtained a valid California Class A license.

(c) Transfers between Job Classification Groups

(1) Studio Seniority only: An employee who has attained and maintained plant seniority for a period of at least three (3) consecutive years or more and has been registered in the Industry Experience Roster for a period of at least three (3) consecutive years or more may be transferred between any of the above-related job classification groups without loss of Seniority, provided any such transfer remains in effect for a period of at least twelve (12) consecutive months. If an employee requests and receives such a transfer more than once in any period of twelve (12) consecutive months, he/she shall revert to the status of a new employee with respect to plant seniority.

(2) Industry Experience only: An employee who has not attained and maintained Studio Seniority for a period of at least three (3) consecutive years or more and who has been registered in the Industry Experience Roster for a

period of at least three (3) consecutive years or more may be transferred between any of the related job classification groups; provided: (i) that his/her seniority group status in the new job classification shall be based upon his/her initial date of placement on the Industry Experience Roster, unless a slot is not available in such seniority group, in which case such employee shall be placed in the next highest-ranking seniority group; and (ii) that any such transfer shall remain in effect for a period of at least twelve (12) consecutive months. If such an employee in Industry Group 1 or 2 requests and receives such a transfer more than once in any period of twelve (12) consecutive months, he/she shall revert to Industry Group 3 as of the date of such transfer.

Notwithstanding the foregoing, any wrangler with appropriate license and alcohol and controlled substance testing qualifications shall be allowed to seek work in the driver classification (consistent with his group status as a wrangler). Such individuals may be listed on the Industry Experience Roster in both the driver and the wrangler classifications.

The Producers agree to review with CSATF the conditions under which an employee on the roster in another classification may be transferred to the wrangler classification.

(3) Non-Status only: An employee who has not attained and maintained plant seniority for a period of at least three (3) consecutive years or more, and who has not been registered in the Industry Experience Roster for a period of at least three (3) consecutive years or more, may be transferred between any of the above-related job classification groups, provided his/her seniority group status in such new related job classification shall be based on the date of such transfer, and provided any such transfer remains in effect for a period of at least twelve (12) consecutive months. If such an employee in Industry Group 1 or 2 requests and receives such a transfer more than once in any period of twelve (12) consecutive months, he/she shall revert to Industry Group 3, as of the date of such transfer.

If an employee requests a transfer between any of the above-related job classification groups under the provisions of (1), (2) or (3) above, such person shall have his/her work record reviewed by the Producer. Upon such review, if the Producer finds that any such person possesses sufficient skill and ability to meet the employment requirements of the Industry in the above-related job classification group to which such transfer is requested, the name of such person shall be placed in the Industry Experience Roster, as the case may be, under (1), (2) or (3) above. If such person does not, in the opinion of the Producer, have the required skill and ability, such transfer shall be denied.

(d) Calls, Layoff and Recalls

Seniority and preference of employment shall prevail in layoffs, calls and recalls to work (subject to the provisions of Paragraph 11 herein) within each following applicable related job classifications grouping, respectively:

(1) Driver gang boss, driver of any vehicle which requires a Class A, B or C license to operate; driver of lot tractor, condor, forklift or skip loader; operator of crane, back hoe, bulldozer, heavy duty tractor or honey wagon; camera car driver; production van driver/operator; stunt and/or blind driver and coordinator (Occ. Code Nos. #3501 through #3525).

(2) Dispatcher (Occ. Code No. #3543).

(3) Automotive Service Employee (Occ. Code No. #3531).

(4) Ramrod, Driver/Wrangler, Wrangler Gang Boss, Wranglers, Trainers (Occ. Code Nos. #3550 through #3573).

(5) Automotive Gang Boss and Automotive Mechanic (Occ. Code Nos. #3581 and #3591).

As provided in Paragraph 62(c)(2) above and notwithstanding the foregoing, any wrangler with appropriate license and alcohol and controlled substance testing qualifications shall be allowed to seek work in the driver classification (consistent with his group status as a wrangler). Such individuals may be listed on the Industry Experience Roster in both the driver and the wrangler classifications.

(e) Calling and Recalling

Such preference of employment in calling and recalling to work shall be given by Producer within each such respective related job classification grouping listed above to the available, qualified persons who are from such related job classification grouping, as follows, in the order listed:

(1) Studio Seniority Roster: employees who are classified in the earliest seniority calendar year (after January 1980 by month and year) in the grouping shall be called or recalled first.

(2) Industry Group 1: thereafter, the next such preference shall be given to said available, qualified persons who are in Industry Group 1;

(3) Industry Group 2: then, next, such preference shall be given to such available, qualified persons who are in Industry Group 2;

(4) Industry Group 3: then, next, preference shall be given to such available, qualified persons who are in Industry Group 3.

(5) Others: In the event that there are insufficient available, qualified persons from such respective related job classifications grouping who are in the respective seniority calendar years, or the respective Industry Groups 1, 2 or 3 to meet the employment requirements of the Producer in such respective related job classifications grouping, then Producer may secure employees from any source.

Notwithstanding the foregoing, in the event that two percent (2%) or fewer of the persons in Industry Group 1 are available for work, the Call Board may dispatch persons in Industry Group 2. Similarly, when two percent (2%) or fewer of the persons in Group 2 of the Industry Experience Roster are available for work, the Call Board may dispatch persons in Industry Group 3.

Notwithstanding the foregoing, the parties agree that their past practice with regard to the selection of cook/drivers and drivers of special equipment shall continue.

(6) Call Board: With respect to such calling and recalling, the Producer may notify the Local Union of its need to fill calls for “extra” employees in such respective classifications grouping and may also specifically request particular named persons from the Industry Experience Roster. Upon such notice or request, the Local Union will undertake to obtain and dispatch to Producer such persons so specifically requested or, on the other hand, when persons are not so requested, any available, qualified eligible persons, as the case may be, from the appropriate Industry Experience Groups in accordance with the above preference of employment provisions. Producer reserves the right to select those to be hired or rehired, as the case may be, from among such eligible persons who are so dispatched to Producer as above provided. Neither as to such undertaking or dispatching by the Union nor as to any other portion of this Agreement will the Union discriminate either in favor of or against any person because of membership or non-membership in the Union. Producer shall not in any manner be liable hereunder for any alleged violation of this Paragraph 62 because of the Producer’s employment of any person through the dispatching facilities of the Union, as above provided. The Local Union agrees to keep its offices open Monday through Friday during such hours as may be required to adequately service the Producer. Notwithstanding anything herein to the contrary, an employee on Producer’s

Studio Seniority Roster and/or Industry Experience Roster who has been suspended from work by such Producer shall not be eligible to accept work with another Producer while on suspension.

It is understood that the above provisions with respect to the Producer's utilization of the dispatching facilities of the Union apply only to the filling of such "extra" calls for the respective groupings from available, qualified persons from the appropriate Industry Experience Group Roster, Groups 1, 2 or 3, as the case may be; that such provisions do not apply in the event Producer does not meet its employment needs in such classification groupings from among the available, qualified persons in the appropriate Industry Experience Groups and Producer is required to employ persons from other sources, in which event the recruiting of such new employees shall only be done by Producer directly. The parties hereto shall post in places where notices to employees and applicants for employment are customarily posted all the provisions of this Paragraph 62.

All drivers must provide copies of their driver's licenses to CSATF within ten (10) days after renewal. Any employee who fails to provide copies of a renewed license, which the employee is required to maintain to be or remain in a particular group of the Industry Experience Roster, will not be eligible for dispatch as a member of that Industry Group.

(7) Layoffs: In the event of layoffs in each such respective related job classifications grouping, the Producer shall lay off employees who are from such related job classification grouping in the inverse order of Industry Groups, as follows: First, all such non-Industry Group employees shall be laid off; then, next, such employees who are in Industry Group 3; then, next, such employees who are in Industry Group 2; then, next, such employees who are in Industry Group 1. The above layoff provisions, with respect to Weekly Schedule employees, shall be effective as of the completion of such employees' current assignment. Employees on distant location may be retained out of Seniority or Industry Group status until the return of the company to the studio. "On production" employees shall not be bumped off an assignment by employees laid off from other productions or "off-production" employees of the Producer by reason of the operation of the seniority provisions. Layoffs for "Off Production" employees are subject to Paragraph 13 herein.

(8) Dog Trainers and Handlers, Wild Animal Trainers and Handlers: An availability list shall be established for trainers and handlers (Occupation Codes #3575, #3576, #3592 and #3593). In order to qualify for said availability list, the employee must have worked in said job classifications for at least thirty (30) working days for one or more Producers in the bargaining unit.

(9) Exceptions: In administering such hiring, layoff and rehiring, the Producer, upon giving advance notice to the Local Union, (i) may call, retain or recall out of the respective Seniority or Industry Experience status, an employee because of his/her special studio experience, skill and qualifications for the duties and/or equipment necessary for operation and, as between such employees with such “special studio experience, skill and qualifications for the duties and/or equipment necessary for operation,” Producer, as far as practicable, will apply the above seniority and Industry Experience Roster Group status preference in administering layoff, calling, or recalling, or (ii) may call or recall, and thereafter retain, out of the respective studio seniority or Industry Experience Group status, an employee because there are insufficient qualified, available persons in the Industry Experience Groups, respectively, as above provided. In the event that it is not possible for the Producer to give such advance notice to the Local Union, Producer may so call, retain or recall out of the respective studio seniority or Industry Experience Group status, as above provided, but shall notify the Local Union as soon as possible thereafter. If no protest is presented to Producer by the Union Representative within twenty-four (24) hours after receipt of such notice, Saturdays, Sundays and recognized holidays excepted, the protest shall be deemed to be waived. If the Union shall protest, the Union Representative shall promptly discuss with the Director of Industrial Relations of Producer the application of such exception, and settle the dispute if at all possible. In the event of a failure to settle the dispute in the discussion, as provided above, the matter shall be subject only to the expedited arbitration procedure provided for in Article 7, and shall be heard within three (3) working days from the time of notification by the Union to the Producer or his duly appointed representative of the failure to settle such dispute. Such procedure shall be limited as herein provided.

Failure or refusal of such representative of either party to meet at the appointed time shall constitute an automatic and final withdrawal or approval of the protest, as the case may be. If, in such expedited arbitration procedure, it is determined there was no need so to call, retain or recall an employee out of the studio or out of Industry Experience status, as the case may be, the arbitrator may require Producer to forthwith employ a person in Studio Seniority or Industry Experience Roster status, whichever the case may be. If the matter is so determined, the individual may be immediately awarded back pay, if any, but in no event more than three (3) days pay. No other penalty may be imposed on the Producer. The decision in such expedited arbitration shall be final and binding, and the expedited arbitrator’s authority to decide shall be limited to the issue and remedy herein provided. The above procedure shall be the exclusive remedy for any dispute arising under this Paragraph and such dispute shall not be subject to the provisions of Article 7 of this Agreement.

(10) General: Unless otherwise provided in this Agreement, each qualified person in any respective related job classification grouping shall have preference of employment in such respective related job classification grouping, as above provided, equal to all other qualified persons in such related job classification grouping, who are classified in the same seniority calendar year or Industry Experience Group, as the case may be, and Producer shall have complete freedom of selection from among such persons for the purpose of hiring, layoff or rehiring.

When the provisions of Paragraph 62(b) are not complied with and persons in such classifications are hired who could not have been hired had the provisions of Paragraph 62(b) been complied with, the time worked by such individuals in such classifications shall not be recognized as experience for listing on the studio's seniority roster.

(11) Bid Jobs: Bid jobs are those so-called "station jobs" for which it is desirable to have continuity of assignment and it is anticipated that such assignment shall be for a minimum of one year. Such bid jobs will be identified studio by studio by mutual agreement with the Union. Jobs so identified will be posted for a period of five (5) working days to allow qualified persons to bid. The Producer will have a reasonable right of selection based on qualifications; however, preference shall be given to the employee with the greatest seniority when the employees applying for such bid job possess, in the opinion of the Producer, the requisite skill, ability and personal qualifications. Prior to implementation of the bid job, the Producer will submit to the Local Union all pertinent information, such as job description, wage rate, basis of employment and person selected. The person so selected may be retained out of seniority for the duration of the assignment which shall be a minimum of one year unless work is no longer available. Such jobs shall not be subject to bidding more than once a year.

(f) Removal from Producer's Seniority or Industry Experience Rosters:

(1) A person shall be removed by the Producer from its Seniority Roster for any of the following reasons:

(i) Discharge by the Producer for cause. Producer will immediately notify employee and Local Union, and will reduce the cause for discharge into writing and mail or deliver to employee and Local Union and the CSATF. In the event the discharge is not protested in writing within ten (10) calendar days from receipt by the Union of notice (excluding Saturdays, Sundays and holidays), the discharge shall be deemed to be for cause and shall not be

subject to the grievance procedure hereunder or any other procedure. If such protest is made within such ten-day period, it shall immediately be submitted to Step One of the grievance procedure in Article 7. Either party may, within the time provided in Step One, go through the Second and Third Steps of the grievance procedure and then to expedited arbitration. For purposes of this provision, a discharge pursuant to Article 3(c) shall be deemed to be a “discharge for cause.”

(ii) Voluntary resignation, unless the employee receives the permission of the Producer to resign as hereinafter provided in this paragraph. An employee who desires to resign his employment with the Producer may, not less than two (2) business days prior to employee’s proposed last day of employment, request permission from the Producer to do so. The Producer shall not unreasonably withhold its approval of any such request. However, the exception and procedure set forth in the two immediately preceding sentences shall not apply to employees on distant location nor to employees assigned to a key piece of equipment.

(iii) Refusal to accept two (2) offers of employment by the Producer, unless:

(A) he/she is currently employed elsewhere in the motion picture industry, or

(B) for any other reason approved by Producer in writing.

(iv) Laid off and not rehired within nine (9) months.

(v) An employee leaves the motion picture production industry for gainful employment outside of said industry, when there is work available for him/her within said industry. For purposes of this provision, an employee who has not worked in the classifications covered under this Agreement within a consecutive two (2) year period shall be deemed to have left the motion picture production industry for gainful employment elsewhere. Provided, however, this shall not include:

(A) Any person who was employed by the International Brotherhood of Teamsters or any of its affiliated Local Unions;

(B) Any person who was employed in any capacity in the motion picture industry within such two (2) year period; or

(C) Any person who had a work-related disability which prevented him from performing work assigned to craft(s) or classification(s) in which he was formerly employed.

(vi) Retirement under the Motion Picture Industry Pension Plan or private company pension plan; provided, however, the Producer may continue to employ any such employee who retired prior to August 1, 1991 as though he/she had not been removed from the Studio Seniority Roster.

(vii) Death.

(viii) Unauthorized leave of absence. An employee hereunder shall not be granted a leave of absence for the purpose of accepting employment with another employer in the motion picture production industry in a job classification covered by this Agreement, unless such action is mutually acceptable to the Producer, the employee and the Union.

(ix) An employee on Producer's Studio Seniority Roster who has been suspended from work by such Producer and who accepts work with another Producer while on suspension shall forfeit his Studio Seniority with the Producer by whom he was suspended.

(x) Absence because of illness or injury exceeding two (2) years, provided Union receives prior written notice before the employee is taken off the Roster.

(2) A person shall be removed by the Producer from its Industry Experience Roster for any of the following reasons:

(i) Discharge by the Producer for cause. Producer will immediately notify employee and Local Union, and will reduce the cause for discharge to writing and mail or deliver to employee and Local Union and CSATF. In the event the discharge is not protested in writing within ten (10) calendar days from receipt by the Union of notice (excluding Saturdays, Sundays and holidays), the discharge shall be deemed to be for cause and shall not be subject to the grievance procedure hereunder or any other procedure. If such protest is made within such ten (10) day period, it shall immediately be submitted to Step One of the grievance procedure in Article 7. Either party may, within the time provided in Step One, go through Step Two and Step Three of the grievance procedure and then to expedited arbitration. For purposes of this provision, a discharge pursuant to Article 3(c) shall be deemed to be a "discharge for cause."

(ii) Refusal to accept two (2) offers of employment by the Producer, unless:

(A) he/she is currently employed elsewhere in the motion picture industry, or

(B) for any other reason approved by Producer in writing.

(iii) Unauthorized leave of absence. An employee hereunder shall not be granted a leave of absence for the purpose of accepting employment with another employer in the motion picture production industry in a job classification covered by this Agreement, unless such action is mutually acceptable to the Producer, the employee and the Union.

(iv) An employee on Producer's Industry Experience Roster who has been suspended from work by such Producer and who accepts work with another Producer while on suspension shall be removed from the Industry Experience Roster of the Producer by whom he was suspended.

(v) Absence because of illness or injury exceeding two (2) years, provided Union receives prior written notice before the employee is taken on the Roster.

(vi) Voluntary resignation, unless the employee receives the permission of the Producer to resign as hereinafter provided in this paragraph. An employee who desires to resign his employment with the Producer may, not less than two (2) business days prior to the employee's proposed last day of employment, request permission from the Producer to do so. The Producer shall not unreasonably withhold its approval of any such request. However, the exception and procedure set forth in the two immediately preceding sentences shall not apply to employees on distant location nor to employees assigned to a key piece of equipment.

(3) CSATF shall remove a person from the rosters of the industry for any of the following reasons:

(i) After three (3) discharges for cause by signatory Producers under the above procedure, the employee and the Union shall be notified that the name of such employee is being automatically removed from all such rosters in the industry. Thereafter, such persons shall no longer be eligible for employment in the industry.

(ii) An employee who voluntarily resigns from the employ of three (3) signatory Producers shall be removed from all rosters in the industry.

(iii) Retirement under the Motion Picture Industry Pension Plan or private company pension plan.

(iv) Death.

(v) An employee leaves the motion picture production industry for gainful employment outside of said industry, when there is work available for him/her within said industry. For purposes of this provision, an employee who has not worked in the classifications covered under this Agreement within a consecutive two (2) year period shall be deemed to have left the motion picture production industry for gainful employment elsewhere. Provided, however, this shall not include:

(A) Any person who was employed by the International Brotherhood of Teamsters or any of its affiliated Local Unions;

(B) Any person who was employed in any capacity in the motion picture industry within such two (2) year period; or

(C) Any person who had a work-related disability which prevented him from performing work assigned to the craft(s) or classification(s) in which he was formerly employed.

In such event, CSATF will notify, in writing, the Local Union and the involved person at his last known address of the intended removal and specify the date of such removal. Such notice shall be given not less than fifteen (15) business days prior to removal of such person from the Industry Experience Roster. The Union and/or the involved person shall have the right to challenge the removal by submitting a written protest within fifteen (15) business days following receipt of the notice of intention to remove the individual from the Roster. If no protest is filed within said time period, the right to protest is waived.

In the event of a protest, the person's name will not be removed from the Industry Experience Roster until the matter has been determined. The matter shall be submitted directly to Step Three of the grievance procedure for disposition. The decision of the Step Three committee shall be final and binding on CSATF, the Local Union and the individual involved.

(4) The Local Union may advise CSATF of the name of any person who has not complied with the obligations of Article 3 of this Agreement within sixty (60) days following such person's placement on the Industry Experience Roster. The Local Union shall also provide CSATF with documentation indicating that the employee has been given the opportunity, as required by law, to pay to the Local Union any delinquent fees and/or dues required by law. In such event, the person shall be deemed unavailable for employment and his name shall be removed from the Industry Experience Roster.

In the event of a protest involving removal of a person from the Industry Experience Roster pursuant to this subparagraph (4), the provisions of the penultimate paragraph of Paragraph 62(f)(3) and the provisions of subparagraphs (2), (3), (5), (6) and (7) of Paragraph 62(h) shall apply, except that wherever reference is made to "the Producer" or "the Producers" in such provisions, such reference shall instead be to "CSATF" for this purpose.

(5) A person on the Industry Experience Roster (or Studio Seniority Roster) who fails to successfully complete legally-required industry safety training courses within ninety (90) days after placement thereon shall be temporarily removed from the Industry Experience Roster (and/or Studio Seniority Roster). During the time the person is so temporarily removed from such Roster, the Producer is not obligated to call such person. Such person shall be reinstated to his former position on the Roster upon successful completion of such industry safety training courses.

(g) Eligibility Availability

(1) In order for any eligible person to be placed on any Seniority or Industry Experience Roster of Producer, such person shall make written application to be placed on such Roster on application forms provided for such purpose. Whenever a person has put in the required number of days to earn plant (studio) seniority, he must request it in writing within thirty (30) days of the time of having earned it or he shall not be entitled to such seniority. Any person claiming to have fulfilled the Seniority or Industry Experience Roster requirements shall have the burden of establishing and proving such claims, including documentary evidence of having actually worked the number of days above required in the specified periods.

The Producers and the Union have jointly developed a form for use by all Employers to notify CSATF that an individual is being certified for Roster placement. The form includes provisions for:

- (i) The number of qualifying days worked by the employee;
- (ii) The roster classification within which the employee worked; and
- (iii) A notation whether the work performed was satisfactory or unsatisfactory.

(2) With respect to calls for work, the Producer's call record shall be prima facie evidence of the fact such person was called and said call record shall be available for inspection by the Union.

A person on the Producer's Seniority or Industry Experience Roster who is called for work and is properly unavailable for work may be temporarily removed from such Roster until he notifies the Producer of his availability. During the time the person is so temporarily removed from such Roster, the Producer is not obligated to call such person.

(h) Roster Arbitration Procedure

Disputes regarding the placement of any person on the Industry Experience Roster arising from the contention that the person is not eligible to be placed on the Roster shall be resolved in the following manner:

(1) CSATF shall notify the Union of its intention to place a person on the Industry Experience Roster. CSATF's notice shall contain the individual's name, address, telephone number and social security number, provided CSATF possesses such information. The Union may protest the intended action of CSATF within ten (10) business days by a written notice to CSATF. The Union shall have the right to challenge any roster placement with respect to the qualifications required pursuant to subparagraphs (g)(1)(i) and (g)(1)(ii) above. In the event of a protest, CSATF shall notify the Producer(s) involved and the person. The person will not be placed on the roster until the matter has been determined. Upon such protest, a hearing shall be scheduled before the impartial arbitrator. If no protest is filed within ten (10) business days, the respective parties waive the right to protest.

(2) The Union and the Producers agree to submit to final and binding arbitration, before the impartial arbitrator, disputes involving the placement of any person on the Industry Experience Roster in accordance with this Article.

(3) The Union and Producers select Richard Jarrard to act as the impartial arbitrator in all cases submitted to arbitration under this Article. In the event that the impartial arbitrator is unable or unwilling to act, an alternate arbitrator shall be selected by mutual agreement of the Union and Producer(s).

(4) In an arbitration conducted pursuant to this Article, CSATF shall participate as an administrative witness and a custodian of records, and the Union shall represent itself. Any person whose intended roster placement is involved in such dispute shall be entitled to have his own counsel at his own expense present at the arbitration. This provision shall not be construed as conferring upon such person the rights of a third party to the arbitration, and such arbitration will be solely between the Producer(s) and the Union.

(5) The impartial arbitrator shall hold a hearing within ten (10) business days after receipt of a request from the Union or Producer(s). Such hearing shall be held on an informal basis. The arbitrator shall have the authority to establish uniform and equitable procedures for the conduct of the hearing.

(6) The award of the arbitrator shall be rendered in writing within ten (10) business days after the conclusion of the hearing unless the time is expressly extended by the Producer(s) and the Union. The written award of the impartial arbitrator shall be final and binding upon the Union, CSATF, the Producer(s) and any person whose roster placement is at issue. In the event that the award of the impartial arbitrator is to place the individual's name on the roster, the person's roster date shall be retroactive to the date that said person would have been placed on the roster but for said protest.

(7) The fees of the impartial arbitrator and the costs of the arbitration, if any, shall be shared equally by the Producer(s) and by the Union. All other costs and fees shall be borne by the party incurring same.

(i) Posting

Said Studio Seniority and Industry Experience Rosters have been posted by the Producer on the bulletin board in the applicable studio departments. A copy of such Rosters were furnished to the Local and the Local Union posted a copy of such Rosters on the bulletin board at its business office.

The said Rosters shall be revised from time to time as required and such revised rosters shall be furnished to the Local Union.

Any objections by the Union or any person affected to the contents of any Roster shall be made in writing to the Producer within thirty (30) days and, if not so made, shall be deemed to be waived.

(j) Discharges

Discharges shall not be affected by the seniority or preference provisions of this Agreement. Letters of termination written pursuant to Paragraph 62 will be reviewed each calendar year by the Producer and the Union upon request. The review specified is not subject to the grievance procedure and there is no right conferred to approach the grievance procedure through the review herein specified.

(k) Superannuation

Employees who have had a seniority status of ten (10) or more years with the Producer and who are unable to fulfill normal working requirements by reason of any infirmity or incapacity may be placed upon a superannuated list for employment by the Producer at wage scales and working conditions for such persons negotiated between the Producer and the Union.

In such cases, employees affected may protest such classification to the Director of Industrial Relations of the Producer or to the Director of Industrial Relations, together with any other executive designated by Producer, and the decision of management shall be final, and such dispute is not subject to the grievance procedure set forth in Article 7 of this Agreement for the settlement of disputes.

Nothing contained in this section relating to superannuation shall in any manner whatsoever affect or limit the Producer's rights as provided in subparagraph (j) of this Paragraph 62, relating to discharges.

63. Substituting for Department Head

Whenever the Producer designates an employee to substitute for a department head or assistant department head, for periods of time such as vacations, extended leave of absence or prolonged illness, such employee will be paid, during the substitution period, at the highest weekly rate in the wage schedule or, if the relieving employee is then receiving such highest weekly rate, he shall receive as additional compensation a bonus of fifteen percent (15%) or five hundred seventy-one dollars (\$571.00), whichever is greater, but in no case more than the current rate of the person for whom he substitutes.

64. Reporting of Accidents

The nature and place of hospitalization of all accident cases requiring hospitalization shall be reported to the Union as soon as practicable after the accident.

65. Employees in the Armed Services

Recognizing the moral and legal responsibility to the employees subject to this Agreement who have entered into the Armed Services, the Producer and the Union agree that they have a joint responsibility (subject to the then-existing statutes) in the reinstatement of such employees to the jobs such employees held prior to their entry into the Armed Services.

Producers and the Union agree that employees temporarily holding such jobs will be displaced by such returning employees.

66. Vacations

Vacations with pay will be allowed as follows (not applicable to #3571 Trainers and #3575 Wild Animal Trainers. Such vacation rates shall be not less than the rate applicable to #3573 Trainer - Schedule A; not applicable to overscale Dog Trainers or Wild Animal Trainers. Such persons shall negotiate their own rates of vacation pay directly with the Producer):

(a) Daily Schedule Employees

(1) Vacation pay for a person employed solely under a Daily Schedule shall be computed at the rate of four percent (4%) of total annual earnings for those hours worked at straight time, including hours worked on night rates and night premiums at straight time and hours paid as vacation time, during the employee's personal income tax reporting year.

(2) Employees must actually take time off from work for paid vacations in accordance with the following schedule:

For Daily Schedule Employees

Straight time hours worked in preceding year:	Straight time working days required to be taken off:
1,928.0 and over (inclusive)	10
Between 1,734.4 and 1,927.9 (inclusive)	9
Between 1,540.8 and 1,734.3 (inclusive)	8
Between 1,347.2 and 1,540.7 (inclusive)	7
Between 1,153.6 and 1,347.1 (inclusive)	6
Between 960.0 and 1,153.5 (inclusive)	5
Between 766.4 and 959.9 (inclusive)	4

(continued)

(continued)

Between 572.8 and 766.3 (inclusive)	3
Between 379.2 and 572.7 (inclusive)	2
Between 185.6 and 379.1 (inclusive)	1
185.5 and under (inclusive)	0

Employees with 50% Additional Vacation Pay (See (c) below)

1,888.0 and over (inclusive)	15
Between 1,761.6 and 1,887.9 (inclusive)	14
Between 1,635.2 and 1,761.5 (inclusive)	13
Between 1,508.8 and 1,635.1 (inclusive)	12
Between 1,382.4 and 1,508.7 (inclusive)	11
Between 1,256.0 and 1,382.3 (inclusive)	10
Between 1,129.6 and 1,255.9 (inclusive)	9
Between 1,003.2 and 1,129.5 (inclusive)	8

Between 876.8 and 1,003.1 (inclusive)	7
Between 750.4 and 876.7 (inclusive)	6
Between 624.0 and 750.3 (inclusive)	5
Between 497.6 and 623.9 (inclusive)	4
Between 371.2 and 497.5 (inclusive)	3
Between 244.8 and 371.1 (inclusive)	2
Between 118.4 and 244.7 (inclusive)	1
118.3 and under (inclusive)	0

(b) “On Call” Weekly Employees (including combinations of Weekly and Daily Schedule employment):

*Straight Time Days Worked in Preceding Year	Days of Vacation With Pay in Succeeding Year
Over 200	10 (maximum)
Between 181 and 200	9
Between 161 and 180	8
Between 141 and 160	7
Between 121 and 140	6
Between 101 and 120	5
Between 81 and 100	4
Between 61 and 80	3
Between 41 and 60	2
Between 21 and 40	1
** 20 and under	0

*For vacation purposes only, full six-day Weekly Schedule workweeks on distant location shall be credited as five (5) days worked. In addition, one workday shall be counted for each vacation day.

**Employees who are employed less than twenty-one (21) days and who do not qualify for a day's vacation pay under this provision shall be paid vacation pay as follows:

Daily Schedule Employment: 4% of straight time earnings including hours worked on night premiums at straight time.

Weekly Schedule Employment: 4% of guaranteed weekly earnings.

“On Call” Weekly Employees - one (1) day's vacation pay is equal to one-fifth (1/5) of weekly rate in effect at start of vacation.

(c) Additional Vacation Provisions

The following additional vacation provisions shall apply to Weekly or Daily employees who meet the necessary eligibility qualifications:

(1) Eligibility Requirements

Commencing with vacations earned in the year 1979 and payable in the year 1980 and thereafter, eligible employees shall be those employees who actually worked for Producer for eight (8) consecutive “eligible” years, with an aggregate of not less than 1,600 “straight time” days worked with Producer in such eight (8) years.

As used in this provision, the term “year” shall mean the employee's personal income tax earnings year (also hereinafter referred to as “tax year”); the term “eligible year” shall mean a tax year in which the employee worked one hundred (100) or more “straight time” days for Producer;* the term “straight time” days shall be deemed to include the five (5) or six (6) days of employment, as the case may be, specified under the respective five (5) or six (6) day cumulative weekly schedules.

*The term “eligible year” shall be applied in the following manner with respect to calendar year 1988 to take account of the WGA strike: As to calendar year 1988 only, an employee shall be deemed to have an “eligible year” if he has worked at least seven-twelfths (7/12) of the number of days otherwise required under Paragraph 72(c) to attain an eligible year. Thus, any employee who has worked 58 or more “straight time” days for Producer during calendar year 1988 shall be deemed to have an “eligible year” for purposes of the additional vacation provision.

Any tax year in which the employee actually works less than one hundred (100) “straight time” days for Producer shall be excluded in computing the required eight (8)* “eligible” tax years, and the “straight time” days worked in such year shall not be counted in computing the required aggregate of 1,600 “straight time” days to be worked in such eight (8) tax years.

Employees who fail to work more than one hundred (100) “straight time” days for such employer in each of any two (2) consecutive tax years shall, at the end of such second year, be considered new employees hereunder with no previous employment credit with Producer for the purpose of establishing the above eligibility requirements. Provided, however, that in determining such two (2) consecutive years, no year shall be included (and the “straight time” days worked in such year shall not be counted for any eligibility purposes hereunder) in which the employee could not work one hundred (100) “straight time” days for Producer due to either or both of the following:

(i) The period of recorded leaves of absence granted by Producer;

(ii) For the period during which the employee was absent and physically unable to work for Producer solely as a result of an “industrial accident” occurring to such employee while employed by Producer.

(2) Vacation Days and Pay

Commencing with October 26, 1955, such weekly or daily employees who become eligible on or after such date, as above provided, shall, beginning with the date they so become eligible, earn with Producer fifty percent (50%) more in vacation time and money based upon the applicable weekly or daily employee vacation schedule set forth above; any such employee shall be limited to earning a maximum of only fifteen (15) days vacation per year. Provided, that for the remainder of any such tax year in which such an employee becomes eligible, he shall only earn additional vacation time and money, as above provided, based solely on the “straight time” days he worked for Producer after he so became eligible and within the remaining portion of each year, to be computed separate and apart at the rate of one-half of the vacation benefit specified under the above applicable daily or weekly vacation schedule.

*Vacation pay for such employee employed solely under a daily schedule shall be computed at the rate of 6.2762% instead of 4% as set forth in subparagraph (a)(1), above, of this Paragraph 66.

(3) Loss of Eligibility

Employees who become eligible, as above provided, but who thereafter either resign from employment with Producer or fail to work for Producer more than one hundred fifty (150) “straight time” days* in any one tax year shall, as of the last day of such tax year or, in the case of resignation, the date of such resignation, lose such eligibility and right to earn the additional vacation days and pay above provided; in such event, they shall thereupon be considered new employees hereunder with no previous employment credit with Producer for the purpose of subsequently establishing the above eligibility requirements.

In determining whether any employee loses his eligibility for failure to work for Producer more than one hundred fifty (150) “straight time” days in a tax year, as above provided, no such year shall be counted for this purpose in which the employee could not work at least one hundred fifty-one (151) “straight time” days for Producer due to either or both of the following:

- (i) The period of recorded leaves of absence granted such employee by Producer;
- (ii) The period during which such employee was absent and physically unable to work for Producer solely as a result of an “industrial accident” occurring to him while employed by Producer.

(4) Eligibility Credit

For the purposes of determining “eligible” years and “loss of eligibility” only, as above provided, employees who leave the employ of Producer to perform military service and who remain in the Armed Forces of the United States in accordance with the applicable National Selective Service Act (or other subsequently enacted comparable national legislation then in effect pertaining to such service), shall be credited as having worked for Producer the number of applicable days the employee would normally have been employed by Producer for “straight time” days in each workweek of the period of such service.

*For purposes of calendar year 1988, the “more than one hundred fifty (150) ‘straight time’ days” requirement shall be reduced to “more than eighty-eight (88) ‘straight time’ days” to take account of the WGA strike.

(d) Daily and Weekly Schedule Employees

(1) Vacations are earned in one personal income tax earnings year and are paid for in the succeeding calendar year.

(2) Vacations shall not be cumulative between calendar years and shall be taken at times approved by the Producer.

(3) Days that would otherwise constitute the sixth or seventh day in the employee's workweek and holidays occurring during vacation periods are not counted as days granted.

(4) When any portion of the vacation period is less than a full payroll week, by mutual agreement between the Producer and the employee, the Producer may grant leave of absence without pay for the remaining fractional portion of the payroll week.

(5) Eligible employees who are no longer employed at the beginning of the calendar year in which their vacation pay for the preceding year is payable may obtain such vacation pay at any time subsequent to March 15 by notifying the Producer of their desire to obtain such vacation pay. Such notice shall set forth a date on or subsequent to the date of notice for the commencement of the period to which such vacation pay shall apply. The designation of such commencement date shall be at the sole discretion of such employees, and the Producer agrees to pay such employees the vacation pay due on or prior to such commencement date, but in no event shall the Producer be obligated to make such payment prior to March 15.

(6) In the event of a layoff, an employee eligible for vacation shall not be required to take vacation at time of layoff.

(7) Each eligible employee shall, if he so desires, submit to his department head, prior to June 1st, three (3) vacation dates in the order of his preference. In the event that none of the three (3) preferential dates is granted, the department head may establish date of vacation if conditions permit. However, he shall give any such employee not less than one week's notice as to date of vacation unless, upon the request of the employee, it is otherwise mutually agreed upon. Employees who do not submit preferential dates shall receive vacations on dates subject to the discretion of the department head.

Casual employees hired on a distant location in the thirteen (13) Western states and the three (3) Western provinces of Canada only, as defined

in Paragraph 30, shall be paid vacation pay and holiday pay concurrently with their daily or weekly earnings.

(8) Producer shall pay an eligible employee his vacation pay check not later than noon of the payday preceding the commencement day of his vacation, provided the employee has made a request to Producer for such vacation check at least one week prior to such payday preceding the commencement of such vacation.

(9) If a successor company buys out another producing company and continues the operation of selling company's studio, and if the buying company continues the employment at the studio of an employee of the selling company, such employee shall retain with the buying company his appropriate vacation pay experience credit accrued with the selling company. If such employee is not so continued in employment by the buying company, then the selling company only is responsible for any vacation pay due the employee at the time of his termination. If such employee is offered employment by the buying company, but elects not to continue his employment with the buying company, he shall be entitled to his accrued vacation pay from the selling company.

(10) Presentation of Claim for Vacation Pay

(i) Producers that currently pay for vacations on a weekly basis shall continue to adhere to their existing practice. Producers that currently pay for vacations pursuant to subparagraph (ii) below may instead elect on a production-by-production basis to pay on a weekly basis.

(ii) Producers that currently make vacation payments at the end of the calendar year shall elect one of the following procedures for employees on layoff and for employees on payroll:

(A) With respect to employees on layoff:

(1) On or after March 15 of the year following the calendar year in which vacation pay was earned, the Producer shall either:

(a) mail or deliver to such employee his vacation pay; or

(b) notify each such employee that he should claim his vacation pay pursuant to the provisions of this Agreement.

(2) In the event the Producer mails the employee's vacation paycheck and it is returned or if the employee fails, within thirty (30) days following the date of mailing of the notice referred to in subparagraph (ii)(A)(1)(b) above, to claim his/her vacation pay, the Producer shall notify the Union of the names of those employees who have not claimed vacation pay. In the case of employees whose checks were returned, the Producer shall also forward the returned check(s) to the Union.

(3) The Union shall endeavor to locate any employee who has not claimed his vacation pay. If it does so, it shall forward to the employee his check or otherwise advise the employee of the department of the Producer to contact to claim such pay.

(4) If the Union is unable, within thirty (30) days following its receipt of the notice referred to in subparagraph (ii)(A)(2) above, to locate such employee(s), the Union shall so advise the Producer and return any unclaimed check(s) to the Producer.

(5) On or about March 15 of the second calendar year following the year in which vacation pay was earned ("the second calendar year"), employees who have not claimed their vacation pay will be notified that unless claimed by July 15 of that year, such pay will be sent to the Motion Picture Industry Pension Plan. On or about May 15 of the second calendar year, Producer will furnish to the Union a list showing the names of those employees who have not claimed vacation pay and the amount of vacation pay due to each, together with a notice that unless claimed by July 15, such vacation pay will be sent to the Motion Picture Industry Pension Plan.

(6) On or about July 15 of the second calendar year, unclaimed vacation pay will be contributed to the Motion Picture Industry Pension Plan and credited to the appropriate employee pension plan account. Money so contributed shall not be returned to the employee and shall fully discharge the Producer's and the Union's obligations hereunder to the employee with respect to the payment of vacation pay.

(B) With respect to employees on payroll:

(1) On or after March 15 of the year following the calendar year in which vacation pay was earned, the Producer shall either:

(a) mail or deliver to such employee his vacation pay; or

(b) notify each such employee that he should request vacation pay pursuant to the provisions of this Agreement and schedule his vacation according to this Agreement.

(2) In the event the employee fails to request such vacation pay and/or to schedule his vacation within thirty (30) days after the date of mailing of the notice referred to in subparagraph (ii)(B)(1)(b) above, the Producer shall notify the Union of the names of those employees who have not claimed such pay.

(3) The Union shall, within thirty (30) days after receipt of the notice referred to in subparagraph (ii)(B)(2) above, endeavor to notify the employee and advise him to schedule his vacation.

(4) On or about March 15 of the second calendar year, employees who have not claimed their vacation pay will be notified that unless claimed by July 15 of that year, such pay will be sent to the Motion Picture Industry Pension Plan. On or about May 15 of the second calendar year, Producer will furnish to the Union a list showing the names of those employees who have not claimed vacation pay and the amount of vacation pay due to each, together with a notice that unless claimed by July 15, such vacation pay will be sent to the Motion Picture Industry Pension Plan.

(5) On or about July 15 of the second calendar year, unclaimed vacation pay will be contributed to the Motion Picture Industry Pension Plan and credited to the appropriate employee pension plan account. Money so contributed shall not be returned to the employee and shall fully discharge the Producer's and Union's obligations hereunder with respect to the payment of vacation pay.

(iii) New signatory Producers shall adhere to the practice of paying vacation pay currently on a weekly basis unless other arrangements are made by them with the Union.

67. Jurisdictional Disputes

The Union agrees to cooperate in good faith with the Producer and other Local Unions in the industry in working out a method for the determination of jurisdictional disputes without work stoppages. Appropriate clauses shall be incorporated in this Agreement to cover any method or means that shall be agreed upon.

68. Severance Pay

(a) General

(1) (i) An employee employed by the Producer under this Agreement or its predecessor agreements for one or more qualified years (as defined in subparagraph (f) hereof) whose employment is severed after August 1, 2007; or

(ii) an employee who had at least one (1) qualified year (as defined in Paragraph 68(f) of this Agreement) as of August 1, 1985 who has made the required application for retirement to the Motion Picture Industry Pension Plan at least sixty (60) days prior to retiring or has made the required application for retirement to any private retirement plan referred to in Article XV of the Trust Agreement of the Motion Picture Industry Pension Plan and who retires

shall receive the applicable severance pay set forth below (as modified by subparagraphs (c) and (d) hereof) unless such employee is disqualified for severance pay purposes pursuant to subparagraph (e) hereof.

Qualified Years	Number of Weeks of Severance Pay
1 - 2	1
3 - 4	2
5 - 8	3
9	4
10	5
11 - 12	6
13 - 14	7
15	8
16	9
17	10
18	11
19	12
20	13

The rate at which severance pay is payable shall be determined in the same manner as the rate at which vacation pay is determined under the vacation pay provisions of this Agreement; provided, however, that the base period used in computing the employee's average earnings shall, for the purpose of severance pay, be based on the twelve (12) consecutive month period ending on the date of severance, instead of the employee's personal income tax earnings year used in computing vacation pay.

(2) Ninety (90) elapsed days after severance occurs such employee shall be entitled to:

(i) one (1) week of said severance pay if he/she has two (2) or less qualified years as of date of severance;

(ii) two (2) weeks of said severance pay if he/she has three (3) or more qualified years as of date of severance; provided, however, such employee shall not receive such severance pay if within such ninety (90) day period he/she receives the following employment by Producer:

(A) five (5) days employment, not necessarily consecutive, if he/she has one (1) or two (2) qualified years as of the date of such severance;

(B) eight (8) days employment, not necessarily consecutive, if he/she has three (3) qualified years as of the date of such severance;

(C) ten (10) days employment, not necessarily consecutive, if he/she has four (4) or more qualified years as of the date of such severance.

(3) If such employee entitled to severance pay after ninety (90) elapsed days has five (5) or more qualified years as of the date of severance, he shall be entitled to the balance of his accrued severance pay ninety (90) elapsed days following the completion of the first ninety (90) day period, unless during the second ninety (90) day period he receives fifteen (15) days employment by Producer, not necessarily consecutive.

(b) Payment of Full Severance Pay

Once an employee has received full accrued severance pay pursuant to subparagraph (a) above, he shall thereafter be a new employee for severance pay purposes and future computation of qualified years shall apply only to employment by Producer, if any, after the receipt of such full severance pay.

(c) Offset

If an employee on the date of severance of employment with Producer after January 31, 1961 would otherwise already have five (5) or more qualified years with Producer, he shall be entitled to the total number of weeks of severance pay, as provided in (a) above, less an "offset" in the number of weeks of any severance pay he received from Producer before January 31, 1961 in connection with employment which is considered in the computation of such qualified years or with "bridged" years as referred to in subparagraph (f) hereof. This "offset" shall apply only toward payments due after the completion of the second of the two ninety (90) day periods referred to in subparagraph (a) above. In this instance, payment by Producer of full severance pay to employee prior to January 31, 1961 shall not break the employee's employment with such Producer for purposes of computing consecutive qualified years hereunder.

(d) Reduction of Severance Pay Amounts

Any severance pay paid to an employee after January 31, 1961 shall correspondingly reduce the total number of weeks of severance pay to which he is thereafter entitled before again becoming a new employee hereunder. An employee who receives or has received full severance pay hereunder after January 31, 1961 shall be considered to be a new employee thereafter for severance pay purposes.

(e) Disqualification for Severance Pay

Employees hereunder shall be disqualified for severance pay in accordance with the provisions of subparagraphs (1) and (2) below.

(1) Refusal of Offers of Employment

If an employee rejects an offer of employment from Producer hereunder during either of the ninety (90) day periods referred to in subparagraph (a) hereof, such employee shall lose his qualification for severance pay and, if subsequently rehired, shall be rehired as a new employee for severance pay

purposes. If an employee was not available or could not be reached when called for work by Producer, he shall be deemed to have rejected an offer of employment; provided, however, that:

(i) Producer shall be obligated, in the event of such rejection or unavailability, to notify the Union on the same day by telephone unless the Union office is not open, in which case such notification must be made on the next following workday, and to confirm such call by letter posted on the day of such notification to the Union.

(ii) If Producer is unable to reach the employee (including such inability to reach because no one answers employee's phone), Producer shall be obligated to telephone the Union and request the Union to make the call, in which event the Union shall either promptly confirm to the Producer by telephone its inability to reach the employee or advise the Producer by telephone that it has reached the employee and of the results of such call.

(iii) It is recognized that in certain circumstances it may be difficult for an employee to accept a call immediately when he is currently employed at another studio. It is further recognized that in certain circumstances it may be difficult for the employee, as well as a hardship to the studio at which he is then employed, to be required to accept a call immediately without any notice to his then present employer. It is believed that in the great majority of cases reasonable consideration would be given so that the employee would not lose his severance pay credits. To this end, it is the intent of the parties hereto that if an employee who is qualified for severance pay has been laid off by a studio and, within either of the ninety (90) day periods referred to, such studio recalls the employee at a time when such employee is unable to accept such recall because of other employment in the motion picture industry, then either of such ninety (90) day periods shall be deemed extended by a period equivalent to the period of employment for which the employee was being recalled, but in no event to exceed twenty (20) days. In the event such employee is again recalled within either of the ninety (90) day periods and does not accept such recall because of other employment in the motion picture industry, or for any other reason except as otherwise herein provided, then such employee shall lose his qualification for severance pay and, in the event he is subsequently rehired by the Producer, such rehire shall be as a new employee for severance pay purposes, except that if the employee's call was on a daily basis, there may be two (2) extensions of either of the ninety (90) day periods by reason of inability to accept calls because of employment elsewhere in the motion picture industry.

(iv) If the employee is unavailable to accept such recall because of employment outside the motion picture industry at the time of such recall, he shall have a maximum of two (2) days after the date of such recall to make himself available and, if he fails to do so, then such employee shall lose his qualification for severance pay and, if he is subsequently rehired, shall be a new employee for severance pay purposes.

(2) Severance Beyond Control of Producer

In the event any severance is the result of a dismissal due to seniority requirements, a voluntary resignation or a layoff as a result of physical incapacity, epidemic, fire, action of the elements, strike,* walkouts, labor dispute, governmental order, court order or order of any other legally constituted body, act of God, public enemy, war, riot, civil commotion or for any other cause beyond the control of the Producer, whether of the same or any other nature, the employee shall not be entitled to any severance pay arising out of the completion of both of the ninety (90) day periods following such severance. In the event any severance is the result of dismissal for cause, the employee so severed shall be disqualified for severance pay.

(f) Qualified Years

As used herein, the term “qualified years,”** with respect to any employee, shall refer to the number of consecutive periods of three hundred sixty-five (365) consecutive days each, calculated backward from the date of his severance, in each of which the employee has been employed by Producer for two hundred (200) or more workdays (including paid vacation days as workdays); it being understood and agreed that if, in any such three hundred sixty-five (365) day period, such employee was employed for less than two hundred (200) workdays by Producer, such three hundred sixty-five (365) day period shall not be counted as a qualified year but shall be “bridged” for severance pay purposes, with the result

*The 1988 strike by the Writers Guild of America shall not be considered a disqualifying event for purposes of severance pay. Instead, any periods provided in Paragraph 68 shall be tolled for the duration of the WGA strike (March 7, 1988 through August 7, 1988).

**The definition of a “qualified year,” for purposes of this Paragraph 68(f), shall be applied in the following manner with respect to calendar year 1988 to take account of the Writers Guild of America strike: As to calendar year 1988 only, an employee shall be deemed to have a “qualified year” if he has worked at least seven-twelfths (7/12) of the number of days otherwise required under this Paragraph to attain a “qualified year.” Thus, any employee who has worked one hundred seventeen (117) or more work days during calendar year 1988 shall be deemed to have a “qualified year” for purposes of this provision.

that any such three hundred sixty-five (365) day period or periods prior to such “bridged” year in which employee was employed by Producer for two hundred (200) or more workdays shall be counted as a qualified year; provided, however, that any three hundred sixty-five (365) day period in which employee received any authorized leave of absence without pay shall be extended by the length of such leave and provided, further, that the computation of qualified years shall be subject to the following exceptions:

(1) If an employee is determined to have less than two (2) qualified years, he shall be credited with a qualified year only if, in addition to having been employed for at least two hundred (200) or more days in the three hundred sixty-five (365) days immediately preceding his date of severance, he shall have been employed for at least one (1) day during the first six (6) months of the eighteen (18) month period immediately preceding his date of severance, in which case he shall be credited with one (1) qualified year.

(2) Any period of two hundred seventy (270) consecutive days commencing prior to January 31, 1961 in which such employee was not actually employed by Producer will be deemed to have broken the employment record of such employee and no period prior to the completion of such two hundred seventy (270) days shall be considered in determining qualified years of such employee.

(3) With respect to any severance of employment of an employee which occurred between February 1, 1961 and January 31, 1965, both dates inclusive, the passage of two hundred seventy (270) days following such severance in which such employee was not employed and did not receive an offer of comparable employment under the terms and conditions specified in the predecessor collective bargaining agreement of this Agreement shall result in his being a new employee for severance pay purposes upon the completion of such two hundred seventy (270) day period.

(4) If an employee on the date of the severance of his employment under this Agreement after January 31, 1961 with Producer would otherwise have had one (1), two (2), three (3) or four (4) consecutive “qualified years” with Producer, but had received full severance pay prior to February 1, 1965, then he shall be deemed to be a new employee for severance pay purposes after being rehired and the applicable consecutive qualified years shall be based and computed only upon his employment with Producer after he so became such a new employee.

(g) Severance Obligation of Successor Company

If a successor company buys out Producer and continues the operation of Producer's studio, and if the buying company continues the employment at the studio of an employee of Producer, such employee shall retain with the buying company his appropriate severance pay experience credit accrued with Producer and his employment shall not be considered to be terminated for severance pay purposes as a result of such successor company's acquisition of Producer. If such employee is not so continued in employment by the buying company, then Producer is responsible for any severance pay due the employee at the time of his termination. If such employee is offered employment by the buying company, but elects not to continue his employment with the buying company, he shall not be entitled to any severance pay from either Producer or buying company.

(h) Presentation of Claim for Severance Pay

Any claim for the payment of severance pay, not presented to the Producer within three hundred sixty-five (365) calendar days after the date upon which the employee is qualified under this Paragraph for such severance pay, shall be deemed to be waived.

69. No Clause.

70. Re-employment of Former Labor Union Officers

Any employee who has been employed by the Producer for the twelve (12) consecutive months (and has actually received pay for two hundred (200) or more days in that period) immediately prior to the date of his election or appointment to a paid full-time job with a labor organization in the motion picture industry shall be re-employed in his former job within ninety (90) days after leaving his Union position, on the same basis and seniority as though he had never left such former job with Producer. Provided, however, that such job is available at the time of request for re-employment; that the job is not held by an employee holding a personal service contract; that the employee, in the opinion of the Producer, is qualified and able to perform the duties required in such job, and that such employee has made application within thirty (30) days of leaving his Union position.

If such position has been abolished or the labor requirements of the Producer have materially changed, then, subject to the above conditions, the

Producer will give such employee preference of employment for any job available within the classifications of the bargaining unit.

71. Return of Transferred Employee to Bargaining Unit

Any employee of the Producer subject to this Agreement who is transferred or promoted to a position with Producer outside the classifications of the bargaining unit may, at the sole discretion of the Producer, upon the termination of such transfer or promotion, be restored to a position within the classifications of the bargaining unit on the same basis and seniority as though he had never been transferred or promoted from such bargaining unit. Provided, however, that such employee makes application with Producer for reinstatement to such position within the bargaining unit within ninety (90) days after severance from the position to which he had been transferred or promoted, as above described.

72. Tool Replacement

It is understood and agreed that the employee bears the principal responsibility for the security of tools owned by such employee. The responsibility of the Company extends to those measures which are reasonable and necessary to ensure that such tools as are left on the premises of the Company during non-working hours of the employee are secure from pilferage.

Each employee is required to maintain his tools in an appropriate tool box, which is owned and provided by the employee, which is clearly imprinted with the name of the owner and which can be secured by an effective padlock and a case-hardened hasp.

In the course of the normal workday, the employee shall bear the responsibility of keeping his tool box locked at all times. In addition, the employee will be responsible for the locking of his tool box on the completion of the day's work before he departs the Company's premises. The locking of the tool box is a requisite for the recovery of pilfered tools, including a situation in which the entrance to the area in which tools are stored is either broken into or is inadvertently left unlocked.

The Company will designate specific areas where tools will be deposited for the period during which the employee is not working. The Company assumes the responsibility for making certain that the designated areas in which the tool boxes are deposited are secured by lock and key prior to the departure at the end of the day's work of the employees involved. To assure the maximum protection for employees' tools, each employee is obligated to bring to the attention of his

foreman or other available supervisors all unlocked doors to areas in which tool boxes are deposited, when such areas are unattended and no work is being performed therein.

When all of the above provisions have been implemented and tools are pilfered from a tool box with evidence of the breakage of the lock on such tool box, the Company, on the presentation of adequate proof by the employee involved, will replace or make whole such employee for the loss of the pilfered tools, provided such tool is listed in Appendix A.

72.1 Tool Allowance

Mechanics who are required to supply tools shall be given a tool allowance of \$20.00 per week until August 26, 2007; thereafter, the tool allowance shall be increased to \$35.00 per week.

73. Bulletin Boards

Producer will make available in an appropriate area in the studio (such as Department Headquarters) a glass-enclosed bulletin board which can be locked. It shall be at least 3 x 2 feet in size. The material posted shall be subject to review by Producer.

74. Parking Citations

A citation for illegal parking charged to a vehicle under the control of a driver subject to this Agreement while on authorized business for the Producer shall not be the responsibility of the driver when no reasonable alternative parking facilities were available and the issuance of such citation was unavoidable.

VII. DEFINITIONS, DUTIES AND DIVISIONS OF WORK

75. Chauffeurs and Truck Drivers: Driving and operating of all rolling stock in the service of the studios, including trucks, tractors, cars, buses, trams, carriers and other conveyances used for transportation or to be photographed, propelled by internal combustion motors or by electrically driven motors.

When directed by the Producer, employees hereunder shall be required to load, unload and deliver or help with same and to fuel, wash and polish vehicles.

The parties have resolved golf cart issues studio by studio pursuant to side letters or past practice.

76. Automotive Service Employees (other than Mechanics): Except when historically and customarily performed by other employees, and if assigned to an employee of Producer, the following work shall be performed by an Automotive Service Employee: Greasing, polishing, changing tires, washing, cleaning, detailing, fueling and performing work necessary to keep equipment in condition, including minor mechanical repairs.

76.1 Mechanics: Except when historically and customarily performed by other employees and if assigned to an employee of the Producer, the following work shall be performed by a Mechanic: maintenance, repairs and/or modifications on vehicles assigned to fleet or production use to include body repairs and painting thereof; repairing of internal combustion engines and servicing of equipment.

77. Dispatchers: Dispatching of calls for the Transportation Department to employees covered hereunder. Assigns motor vehicles and drivers for the conveyance of freight or passengers. Performs other related duties as assigned by supervisor. A dispatcher may perform driving work as long as more than one dispatcher is concurrently employed and such dispatcher otherwise performs duties under this Paragraph for four (4) consecutive straight time hours.

78. Wranglers: Individuals employed in connection with the handling and feeding of barnyard animals and barnyard fowl, horses, mules and other domesticated quadrupeds (excepting cats and dogs) used in the production of motion pictures, including vehicles when drawn or propelled by such animals.

Western and cavalry horses, mules, burros, polo horses, English horses, jumpers, pack animals, milk cows and oxen - One (1) wrangler for each five (5) head;

Loose animals - two (2) wranglers for the first twenty-five (25) head, one (1) wrangler for each additional twenty-five (25) head or portion thereof;

Vehicles - one (1) wrangler for up to four-up, plus one (1) wrangler for each additional four-up, or portion thereof;

Race Horses, Stallions - one (1) wrangler for each animal;

Cast Horses - one (1) wrangler for each two (2) Cast Horses or for each two (2) Cast-double Horses.

79. Ramrod/Wrangler Gang Boss: A Wrangler designated by the Producer to take charge of a crew of Wranglers or of a project that involves the work of a Wrangler.

80. Trainers: Individuals employed to train domesticated quadrupeds and undomesticated quadrupeds of the phylum mammalia.

81. Transportation Coordinator Classification: The rate will be individually negotiated in that the Producer and the individual employee shall enter into individual negotiations prior to the start of employment in the classification for the purposes of establishing an individual flat rate which shall be considered as exempt from the Fair Labor Standards Act and related applicable state laws and shall not be subject to overtime, meal periods or meal penalties, call-back provisions, or other premium pay conditions contained in the existing agreement.

Producers who maintain Lot Seniority Rosters under this Agreement, at their option, may utilize a Transportation Coordinator.

Transportation Coordinators shall be selected from among the persons listed in Group 1, 2 or 3 of the Industry Experience Roster.

Independent or Staff Producers utilizing the facilities of a Studio that has a Lot Seniority Roster may employ a non-seniority Transportation Coordinator and/or a non-seniority Ramrod. However, the Transportation Coordinator and/or Ramrod shall be placed on the studio payroll. In such cases, one Gang Boss from the studio seniority roster shall be assigned to the production and all other employees assigned shall be employed consistent with the seniority provisions contained herein.

However, not more than one Transportation Coordinator shall be employed on a production and the Producer shall not employ additional Transportation Coordinators as a subterfuge to avoid employing drivers in accordance with the seniority provisions of this Agreement.

Time spent in the employ of a studio by a non-seniority Transportation Coordinator and/or Ramrod shall not count as time to acquire studio lot seniority.

It is further understood and agreed that any studio renting facilities to an independent Producer shall in no way preclude that independent Producer utilizing those facilities from having or maintaining a transportation department separate and apart from the renting studio's transportation department.

Transportation Coordinators shall be included in discussions and decisions as to vehicular assignments on their respective production, it being understood that the final decisions as to vehicular assignments shall rest with the Producer.

82. “On” or “Off” Production: The parties agree that no single definition exists in each studio which would appropriately define the terms of “On” or “Off” production assignments in a manner in which the definition could be uniformly applied to all studios. As such, they have agreed that should a dispute arise as to assignment to work “On” or “Off” production as it relates to the application of terms and conditions herein, then the definitions of “On” or “Off” production, as the case may be, shall be that definition which has been consistently and historically applied at the particular studio where the dispute exists.

83. Inspection of Equipment: A driver assigned to take rolling stock on location shall be given the opportunity to inspect the load, the tie-downs and the vehicle and shall be furnished a copy of the manifest or equipment load list, if available. The “tare weight” will be stenciled on the side of all trailer vehicles owned by the Producer, when used on the public streets and highways.

84. Contacting Supervisors: When the Transportation Office is closed, non-supervisory employees hereunder will be advised of a procedure to follow when a supervisor needs to be contacted.

85. Company Rules: The Union recognizes the right of the Producer to establish such reasonable Company rules as it may deem necessary provided that such rules are not in conflict with the terms and provisions of this Agreement. A Company may formulate and promulgate written rules if its procedure is to do so, or a Company may elect not to formulate and promulgate written rules. If no written rules are formulated and promulgated, the reasonableness of the Company’s application of any disciplinary sanction will be subject to appraisal by the Union on an individual instance, case-by-case basis; if the Company formulates and promulgates written rules, it will be presumed that the Company has acted properly when it imposes discipline on an employee for an infraction of those rules. It is understood that no Company is required to post any, or all, of its rules. It is further understood that any rule posted will be effective when posted, but may be the subject of subsequent negotiation by the Union, if such negotiation is requested by the Union within ten (10) days, upon the basis that such new rule constitutes a change in working conditions. The Producers will attempt to make work rules as uniform as practical.

Producer shall adopt the following work rules:

(a) Accidents

Drivers involved in chargeable accidents are subject to discipline. Chargeable accidents include all accidents except those in which the driver is not at fault. The appropriate discipline depends on all the circumstances, including, but not limited to, the severity of the accident, the degree of fault of the driver, the driver's prior driving record and the driver's overall disciplinary record. Suspension or discharge may be appropriate for any chargeable accident depending upon all of the circumstances. In determining the appropriate discipline, those chargeable accidents which occurred within the preceding three (3) year period may be considered.

Failure to fill out, prior to the end of the employee's shift or in compliance with Company policy, all necessary accident reports, including an SR1 form, and to promptly file them with the appropriate department, or knowingly submitting false or inaccurate information, are grounds for immediate discharge for cause.

(b) Suspension

An employee on suspension:

- (i) Cannot work under this Agreement while on suspension.
- (ii) On last day of suspension, employee must contact the Producer from which employee was suspended for next day's job assignment, if any.

(c) Tardiness

An employee who reports for work one-tenth of an hour or more after his or her call time will be deemed tardy. The following discipline will be administered for unexcused tardiness:

- (i) First offense: One day suspension.
- (ii) Second offense within any 12-month period: Three day suspension.
- (iii) Third offense within any 12-month period: Five day suspension.

(iv) Fourth offense within any 12-month period: Discharge.

NOTE: When practical, suspension shall start on the day the employee was tardy or on the employee's next scheduled work day.

(d) Meal Penalty

No employee shall be entitled to meal penalties unless he or she has informed his or her supervisor, no less than one (1) hour prior to a meal penalty being triggered, that a meal period is due. The foregoing shall not apply when, under the circumstances, prior notice is impracticable.

VIII. SPECIAL PROVISIONS

86. Notification of Animal Work

The AMPTP will issue a bulletin reminding Producers that their property departments must provide advance notification of wild animal, dog or wrangler work to the Transportation Office for daily reporting to the Union.

87. Interpretations of Contract Provisions

The AMPTP will advise CSATF in writing as to current interpretations of contract provisions identified by the Union in writing.

88. Training

CSATF will administer a training program to allow employees to qualify for a Class A license. Persons presently on the Industry Experience Roster Group 2 will be eligible for training first. The Union will supply persons qualified to train and certify qualifications for the Class A license. CSATF will bear the cost of equipment for such training. The training will be conducted outside of regular working hours. The scheduling for such training will be coordinated with the Union.

Automotive Service Employees may be cross-trained as Mechanics by assigning Mechanics' work of four (4) hours or less per day to such employees without upgrading such employees to the Mechanic's rate. Such employees shall be given first consideration in filling vacancies in Mechanics' positions.

Drivers covered by this Agreement shall be cross-trained as Journeyman Electricians in order to be Production Van Driver Operators.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

FOR THE ALLIANCE OF MOTION PICTURE & TELEVISION PRODUCERS ON BEHALF OF THE COMPANIES LISTED ON EXHIBIT "A" ATTACHED HERETO AND THOSE PRODUCERS WHICH HAVE EFFECTIVELY CONSENTED TO BE PART OF THE SAID MULTI-EMPLOYER BARGAINING UNIT

By: _____ Date: _____
J. Nicholas Counter III
President, AMPTP

STUDIO TRANSPORTATION DRIVERS, LOCAL #399 OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS

By: _____ Date: _____

EXHIBIT “Z” – STUDIO ZONE MAP

EXHIBIT “Z”

February 18, 1986

Earl Bush
Studio Transportation Drivers, Local #399
P.O. Box 6017
North Hollywood, California 91603

Dear Earl:

Reference is made to Paragraph 81 ("Transportation Coordinator Classification") of the 1985 Producer-Studio Transportation Drivers, Local #399 Agreement.

During the 1985 negotiations between the Producers and Local #399, it was agreed that the Producers would not employ additional Transportation Coordinators as a subterfuge to avoid employing drivers in accordance with the seniority provisions of the collective bargaining agreement. At the same time, the parties recognized and acknowledged that there are situations in which more than one Transportation Coordinator is legitimately employed on a production.

It is impossible to set forth an exhaustive list of those situations. Accordingly, the following examples are mentioned in an effort to provide guidelines for the conduct of the industry in this area.

(1) One or more additional Transportation Coordinators may be employed on a production where safety considerations or production requirements necessitate additional personnel possessing the special expertise of a Transportation Coordinator. For example, the opening scene of "Beverly Hills Cop" shows a truck speeding through Detroit, narrowly missing some vehicles and causing other vehicles to swerve to avoid crashing into the truck. Ultimately, the truck itself crashes. The parties recognize that the special expertise needed to film a shot of this character, as well as overriding safety considerations, justify the employment of more than one Transportation Coordinator in this situation.

(2) One or more additional Transportation Coordinators may properly be employed on a production where production is scheduled to take place in diverse locales. For instance, a Producer may choose to employ one Transportation Coordinator in Los Angeles and another in Seattle where production is scheduled in both cities.

Earl Bush
February 18, 1986
Page Two

SIDELETTER NO. 1

(3) The Producer may require the services of one or more additional Transportation Coordinator where there is more than one shooting unit. As an example, the Producer may employ one Transportation Coordinator on the first unit and another on the second unit. Alternatively, the Producer may have two first units, each of which has its own Transportation Coordinator.

Sincerely,

J. Nicholas Counter III

JNC:sjk

cc: Alliance Bargaining Committee

SIDELETTER NO. 1

February 13, 1986

Earl Bush
Studio Transportation Drivers, Local #399
P.O. Box 6017
North Hollywood, California 91603

This will confirm the understanding reached in the 1985 negotiations between the Producers and Studio Transportation Drivers, Local #399 with respect to Paragraph 59(f).

The Producers agreed that they would not rent equipment in Los Angeles County or in areas contiguous to Los Angeles County to be taken to distant location for the purpose of evading the provisions of Paragraph 59(f). The Producers further agree to cooperate with the Local Union in the event that automotive equipment is rented in areas proximate to but outside those designated for the purpose of circumventing this understanding.

J. Nicholas Counter III

JNC:sjk

cc: Alliance Bargaining Committee

SIDELETTER NO. 2

As of August 1, 1997

Leo Reed
Secretary-Treasurer
Studio Transportation Drivers, Local #399
P.O. Box 6017
North Hollywood, California 91603

This will confirm our discussions during the 1988 negotiations concerning Paragraphs 59(k) and 75 of the Agreement as they relate to the industry practice of certain crew personnel utilizing personal vehicles for tasks such as shopping and checking locations.

As was the understanding during the 1982 negotiations, the Union recognizes that such practice does not violate the Agreement provided that such driving is incidental to the principal function of such crew member. It is understood that the practice of incidental driving does not permit crew personnel to chauffeur other people nor to haul more cargo than a person is capable of carrying by means of hands and arms in a single trip.

Sincerely,

J. Nicholas Counter III

JNC:sjk

ACCEPTED AND AGREED:

Date: _____

SIDELETTER NO. 3

As of October 31, 1988

Leo Reed
Secretary-Treasurer
Studio Transportation Drivers, Local #399
P.O. Box 6017
North Hollywood, California 91603

Reference is made to Paragraph 50, "Promotions," of the 1988 Producer-Studio Transportation Drivers, Local #399 Agreement.

During the 1988 negotiations between the Producers and Local #399, it was agreed that the Producers would not employ additional Gang Bosses as a subterfuge to avoid hiring drivers in accordance with the seniority provisions of the Agreement. At the same time, the parties recognized and acknowledged that there are situations in which more than one First "On Production" Gang Boss is legitimately employed on a production.

It is impossible to set forth an exhaustive list of these situations. Accordingly, the following examples are mentioned in an effort to provide guidelines for the conduct of the industry in this area:

(1) An additional First "On Production" Gang Boss may be properly employed on a production where production is scheduled to take place in diverse locations. For instance, a Producer may choose to employ a First "On Production" Gang Boss in Los Angeles and another in Seattle where production is scheduled in both cities.

(2) An additional First "On Production" Gang Boss may be employed where there is more than one (1) shooting unit. As an example, in episodic television, when episodes are being shot "back-to-back," the Producer may employ a First "On Production" Gang Boss on the first episode and another on the second episode.

Sincerely,

J. Nicholas Counter III

ACCEPTED AND AGREED:

Date: _____

SIDELETTER NO. 4

As of August 1, 2007

Leo Reed
Chairman, Basic Crafts Unions
Studio Transportation Drivers, Local #399
P.O. Box 6017
North Hollywood, California 91603

_____ **Re: Special Conditions for One-Hour Episodic Television Series, the Production of Which Commenced Prior to August 1, 2003, and for One-Half Hour and One-Hour Pilots**

Dear Leo:

This will confirm the agreement reached in the 2004 negotiations, and confirmed in the 2007 negotiations, to apply the following special conditions to pre-production and production of new one-hour episodic television series, the production of which commenced prior to August 1, 2003, and all pilots (half-hour or one-hour) which are committed to be produced in Los Angeles or which are committed to be produced outside Los Angeles, but within the United States, provided that the applicable condition set forth in subparagraph g. below is satisfied.

- a. Wages - For pilots and the first year of any series, except series which receive a short order of seven or fewer episodes in the first year, the wage rates set forth in the Agreement for the period immediately preceding the period in question shall apply (e.g., during the period July 29, 2007 to August 2, 2008, the wages for the period July 30, 2006 to July 28, 2007 shall apply);* thereafter, the wage rates in the Agreement shall apply.

* Note that for the period July 29, 2007 to August 2, 2008, wage rates shall be as provided in the Wage Schedule appended to this Sideletter (rather than the rates that were actually paid during that period).

SIDELETTER NO. 5

For series which receive a short order of seven (7) or fewer episodes in the first year, the wage rates set forth in the Agreement for the period immediately preceding the period in question shall apply for the first two (2) years of the series; thereafter, the wage rates in the Agreement shall apply.

- b. Vacation - No vacation pay shall be payable for a pilot and the first year of any series; in the second year of the series, vacation will be payable at one-half of the applicable percentage in the Agreement; thereafter, the vacation provisions in the Agreement shall apply.
- c. Holidays Not Worked - No unworked holiday pay shall be payable for a pilot and the first year of any series; in the second year of the series, unworked holiday pay will be payable at one-half of the applicable percentage in the Agreement; thereafter, the unworked holiday provisions in the Agreement shall apply.
- d. Holidays Worked - Each employee working on a holiday shall be paid a minimum of eight (8) hours at double time for such holiday.
- e. Overtime - Daily overtime for hours worked shall be paid at the rate of time-and-one-half for each hour worked after eight (8) work hours; golden hours shall be paid for each hour worked after fourteen (14) elapsed hours.
- f. Transportation Allowance - With respect to employees reporting to a "zone location," as described in the Agreement, Producer shall not be required to pay a transportation allowance to any employee who travels to any location in Los Angeles County within a ten (10) mile radius from a point to be determined by the Producer. Producer shall give prior notice to the Chairman of the Basic Crafts (with copies to the other Basic Crafts Unions) of the point so designated. Such point may be changed by Producer at the beginning of each season. Commencing outside the ten (10) mile radius, a transportation allowance will be paid pursuant to the Agreement. The Basic Crafts Unions will not unreasonably refuse a request from the Producer that employees report to a location which is a reasonable distance beyond the thirty (30) mile zone described in the Agreement. Secured parking will be provided at such locations in accordance with the Agreement.
- g. This sideletter shall also apply to any production described above produced outside Los Angeles, but within the United States, provided that if the production is produced within the thirteen (13) Western states, five (5) or more Local #399-represented employees are employed on the production, or, if the production is produced outside the thirteen (13)

Leo Reed
As of August 1, 2007
Page Two

Western states, two (2) or more Local #399-represented employees are employed on the production.

SIDELETTER NO. 5

Leo Reed
As of August 1, 2007
Page Three

If the foregoing comports with your understanding of our agreement, please so indicate by executing this sideletter in the space reserved for your signature.

Sincerely,

J. Nicholas Counter III

JNC:kb

ACCEPTED AND AGREED:

Leo Reed
Chairman, Basic Crafts Unions

SIDELETTER NO. 5

The following One-Hour Episodic Television Series and One-Half Hour and One-Hour Pilot wage scale shall be effective for the period commencing with July 29, 2007 to and including August 2, 2008.

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Studio Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code No.	Classification	Per Hour	Per Day	Per Week	Per Week
	3500 Transportation Coordinator ²	None			
	3501 1st On Production Driver Gang Boss Hired ³	\$33.53			
	3502 All Other Gang Bosses (except Occ. Code Nos. 3551 and 3581) ^{3, 4, 5}	30.53			
	3511 Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles	17.51			
	3518 Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles who “regularly worked” for the Producer in Occ. Code No. 3511 as defined in footnote 6	23.39			
	3512 Drivers of other vehicles which require a Class C license to operate -- crew cabs, pick-up trucks, lot tractors (shop mules or hooties), 5-ton trucks -- and condors	24.78			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399	Studio Minimum Rates			
	Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
	Reg. Basic Hourly Rate			
	No. Classification	Per Hour	Per Day	Per Week
3513 “Hyphenate” Driver/ Craftsperson	7			
3520 Drivers of vehicles requiring a Class B license to operate, including operators of maxivans (10 or more passengers), buses (excluding forty (40) passenger buses), dump trucks, 5-ton crew cabs, crew cabs towing trailers less than 6,000 lbs. off the lot, forklifts (excluding pettibone forklifts), skip loaders, water trucks and motor homes, but excluding 10-ton trucks ⁸	\$27.03			
3521 Drivers of forty (40) passenger buses, 10-ton trucks, and pettibone forklifts and drivers of vehicles requiring a Class A license to operate, including vehicles towing trailers over 6,000 lbs. and operators of cranes, back hoes, bulldozers, heavy duty tractors and honey wagons ⁸	29.15			
3523 Camera Car Driver ⁹	33.53			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Studio Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code	No. Classification	Per Hour	Per Day	Per Week	Per Week
	3524 Production Van Driver/ Operator ¹⁰	\$34.23			
	3525 Stunt and/or Blind Driver ¹¹	None			
	3526 Chapman Crane Operator	33.53			
	3531 Automotive Service Person	17.51			
	3532 Automotive Service Person who “regularly worked” for the Producer in Occ. Code No. 3531 as defined in footnote 6	23.39			
	3543 Dispatcher ⁴	30.53			
	3550 Ramrod ^{2, 12, 13}	None			
	3551 Wrangler Gang Boss ¹²	30.67			
	3561 Wrangler	28.36			
	3562 Driver/Wrangler ¹⁴	29.15			
	3563 Wrangler (Pick Up)	42.78			
	3565 Wrangler (Braider)	35.84			
	3571 Trainer (Domestic Livestock) ¹⁵	None			
	3573 Trainer (Stable) ¹⁵	39.26			
	3575 Wild Animal Trainers ^{15, 16, 17}	39.26			
	3576 Wild Animal Handlers ^{16, 17}	34.07			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399	Studio Minimum Rates			
	Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
	Reg. Basic Hourly Rate			
	No. Classification	Per Hour	Per Day	Per Week
3581 Automotive Gang Boss ^{18, 19}	\$33.53			
3591 Automotive Mechanic ^{18, 19}	30.74			
3592 Dog Trainer ^{15, 16, 20, 21}	34.07			
3593 Dog Handler ^{16, 21}	28.36			

To the extent applicable, see footnotes beginning on page 83.

The following One-Hour Episodic Television Series and One-Half Hour and One-Hour Pilot wage scale shall be effective for the period commencing with August 3, 2008 to and including August 1, 2009.

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Studio Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code No.	Classification	Per Hour	Per Day	Per Week	Per Week
	3500 Transportation Coordinator ²	None			
	3501 1st On Production Driver Gang Boss Hired ³	\$34.54			
	3502 All Other Gang Bosses (except Occ. Code Nos. 3551 and 3581) ^{3, 4, 5}	31.45			
	3511 Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles	17.51			
	3518 Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles who “regularly worked” for the Producer in Occ. Code No. 3511 as defined in footnote 6	24.09			
	3512 Drivers of other vehicles which require a Class C license to operate -- crew cabs, pick-up trucks, lot tractors (shop mules or hooties), 5-ton trucks -- and condors	25.52			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399 Occ. Code No. Classification	Studio Minimum Rates			
	Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
	Reg. Basic Hourly Rate			
	Per Hour	Per Day	Per Week	Per Week
3513 “Hyphenate” Driver/ Craftsperson	7			
3520 Drivers of vehicles requiring a Class B license to operate, including operators of maxivans (10 or more passengers), buses (excluding forty (40) passenger buses), dump trucks, 5-ton crew cabs, crew cabs towing trailers less than 6,000 lbs. off the lot, forklifts (excluding pettibone forklifts), skip loaders, water trucks and motor homes, but excluding 10-ton trucks ⁸	\$27.84			
3521 Drivers of forty (40) passenger buses, 10-ton trucks, and pettibone forklifts and drivers of vehicles requiring a Class A license to operate, including vehicles towing trailers over 6,000 lbs. and operators of cranes, back hoes, bulldozers, heavy duty tractors and honey wagons ⁸	30.02			
3523 Camera Car Driver ⁹	34.54			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Studio Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code	No. Classification	Per Hour	Per Day	Per Week	Per Week
	3524 Production Van Driver/ Operator ¹⁰	\$35.26			
	3525 Stunt and/or Blind Driver ¹¹	None			
	3526 Chapman Crane Operator	34.54			
	3531 Automotive Service Person	17.51			
	3532 Automotive Service Person who “regularly worked” for the Producer in Occ. Code No. 3531 as defined in footnote 6	24.09			
	3543 Dispatcher ⁴	31.45			
	3550 Ramrod ^{2, 12, 13}	None			
	3551 Wrangler Gang Boss ¹²	31.59			
	3561 Wrangler	29.21			
	3562 Driver/Wrangler ¹⁴	30.02			
	3563 Wrangler (Pick Up)	44.06			
	3565 Wrangler (Braider)	36.92			
	3571 Trainer (Domestic Livestock) ¹⁵	None			
	3573 Trainer (Stable) ¹⁵	40.44			
	3575 Wild Animal Trainers ^{15, 16, 17}	40.44			
	3576 Wild Animal Handlers ^{16, 17}	35.09			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Studio Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code	No. Classification	Per Hour	Per Day	Per Week	Per Week
	3581 Automotive Gang Boss ^{18, 19}	\$34.54			
	3591 Automotive Mechanic ^{18, 19}	31.66			
	3592 Dog Trainer ^{15, 16, 20, 21}	35.09			
	3593 Dog Handler ^{16, 21}	29.21			

To the extent applicable, see footnotes beginning on page 83.

The following One-Hour Episodic Television Series and One-Half Hour and One-Hour Pilot wage scale shall be effective for the period commencing with August 2, 2009 to and including July 31, 2010.

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Studio Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code No.	Classification	Per Hour	Per Day	Per Week	Per Week
	3500 Transportation Coordinator ²	None			
	3501 1st On Production Driver Gang Boss Hired ³	\$35.58			
	3502 All Other Gang Bosses (except Occ. Code Nos. 3551 and 3581) ^{3, 4, 5}	32.39			
	3511 Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles	17.51			
	3518 Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles who “regularly worked” for the Producer in Occ. Code No. 3511 as defined in footnote 6	24.81			
	3512 Drivers of other vehicles which require a Class C license to operate -- crew cabs, pick-up trucks, lot tractors (shop mules or hooties), 5-ton trucks -- and condors	26.29			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399	Studio Minimum Rates			
	Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
	Reg. Basic Hourly Rate			
	No. Classification	Per Hour	Per Day	Per Week
3513 “Hyphenate” Driver/ Craftsperson	7			
3520 Drivers of vehicles requiring a Class B license to operate, including operators of maxivans (10 or more passengers), buses (excluding forty (40) passenger buses), dump trucks, 5-ton crew cabs, crew cabs towing trailers less than 6,000 lbs. off the lot, forklifts (excluding pettibone forklifts), skip loaders, water trucks and motor homes, but excluding 10-ton trucks ⁸	\$28.68			
3521 Drivers of forty (40) passenger buses, 10-ton trucks, and pettibone forklifts and drivers of vehicles requiring a Class A license to operate, including vehicles towing trailers over 6,000 lbs. and operators of cranes, back hoes, bulldozers, heavy duty tractors and honey wagons ⁸	30.92			
3523 Camera Car Driver ⁹	35.58			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Studio Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code	No. Classification	Per Hour	Per Day	Per Week	Per Week
	3524 Production Van Driver/ Operator ¹⁰	\$36.32			
	3525 Stunt and/or Blind Driver ¹¹	None			
	3526 Chapman Crane Operator	35.58			
	3531 Automotive Service Person	17.51			
	3532 Automotive Service Person who “regularly worked” for the Producer in Occ. Code No. 3531 as defined in footnote 6	24.81			
	3543 Dispatcher ⁴	32.39			
	3550 Ramrod ^{2, 12, 13}	None			
	3551 Wrangler Gang Boss ¹²	32.54			
	3561 Wrangler	30.09			
	3562 Driver/Wrangler ¹⁴	30.92			
	3563 Wrangler (Pick Up)	45.38			
	3565 Wrangler (Braider)	38.03			
	3571 Trainer (Domestic Livestock) ¹⁵	None			
	3573 Trainer (Stable) ¹⁵	41.65			
	3575 Wild Animal Trainers ^{15, 16, 17}	41.65			
	3576 Wild Animal Handlers ^{16, 17}	36.14			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Studio Minimum Rates			
		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily “On Call”	Schedule C (Exempt) Weekly “On Call”	Schedule C-1 (Exempt) 40/52 Guaran. Weekly “On Call”
		Reg. Basic Hourly Rate			
Occ. Code	No. Classification	Per Hour	Per Day	Per Week	Per Week
	3581 Automotive Gang Boss ^{18, 19}	\$35.58			
	3591 Automotive Mechanic ^{18, 19}	32.61			
	3592 Dog Trainer ^{15, 16, 20, 21}	36.14			
	3593 Dog Handler ^{16, 21}	30.09			

To the extent applicable, see footnotes beginning on page 83.

As of August 1, 2007

Leo T. Reed
Secretary-Treasurer
Studio Transportation Drivers, Local #399
P.O. Box 6017
North Hollywood, California 91603

Re: Special Conditions for New One-Hour Episodic Television Series, the Production of Which Commences On or After August 1, 2003 and for One-Half Hour Digital or Videotape Single Camera Dramatic Television Series and Digital or Videotape Non-Dramatic Series of Any Length, the Production of Which Commences on or After October 1, 2006

Dear Leo:

This will memorialize the agreement reached in the 2003 negotiations, and confirmed in the 2007 negotiations, to apply the following special conditions to pre-production and production of one-hour episodic television series, the production of which commences on or after August 1, 2003, and to one-half hour digital or videotape single camera dramatic television series and to digital or videotape non-dramatic series of any length, the production of which commences on or after October 1, 2006, which are committed to be produced in Los Angeles or which are committed to be produced outside Los Angeles, but within the United States, provided that the applicable condition set forth in subparagraph g. below is satisfied:

- a. Wages - For the first two (2) production seasons of any series, the wage rates set forth in the Agreement for the period immediately preceding the period in question shall apply (e.g., during the period July 29, 2007 to August 2, 2008, the wage rates for the period July 30, 2006 to July 28, 2007 shall apply); thereafter, the wage rates in the Agreement shall apply.*

* Note that for the period July 29, 2007 to August 2, 2008, wage rates shall be as provided in the Wage Schedule appended to the Sideletter entitled, "Special Conditions for One-Hour Episodic Television Series, the Production of Which Commenced Prior to August 1, 2003, and for One-Half Hour and One-Hour Series," rather than the rates that were actually paid.

- b. Vacation - No vacation pay shall be payable for the first year of any series; in the second year of the series, vacation will be payable at one-half of the applicable percentage in the Agreement; thereafter, the vacation provisions in the Agreement shall apply.
- c. Holidays Not Worked - No unworked holiday pay shall be payable for a pilot and the first year of any series; in the second year of the series, unworked holiday pay will be payable at one-half of the applicable percentage in the Agreement; thereafter, the unworked holiday provisions in the Agreement shall apply.
- d. Holidays Worked - Each employee working on a holiday shall be paid a minimum of eight (8) hours at double time for such holiday.
- e. Overtime - Daily overtime for hours worked shall be paid at the rate of time-and-one-half for each hour worked after eight (8) work hours; golden hours shall be paid for each hour worked after fourteen (14) elapsed hours.
- f. Transportation Allowance - With respect to employees reporting to a "zone location," as described in the Agreement, Producer shall not be required to pay a transportation allowance to any employee who travels to any location in Los Angeles County within a ten (10) mile radius from a point to be determined by the Producer. Producer shall give prior notice to the Chairman of the Basic Crafts (with copies to the other Basic Crafts Unions) of the point so designated. Such point may be changed by Producer at the beginning of each season. Commencing outside the ten (10) mile radius, a transportation allowance will be paid pursuant to the Agreement. The Basic Crafts Unions will not unreasonably refuse a request from the Producer that employees report to a location which is a reasonable distance beyond the thirty (30) mile zone described in the Agreement. Secured parking will be provided at such locations in accordance with the Agreement.
- g. This Sideletter shall also apply to any production described above produced outside Los Angeles, but within the United States, provided that if the production is produced within the thirteen (13) Western states, five (5) or more Local #399-represented employees are employed on the production, or, if the production is produced outside the thirteen (13) Western states, two (2) or more Local #399-represented employees are employed on the production.

If the foregoing comports with your understanding of our agreement, please so indicate by executing this sideletter in the space reserved for your signature.

Sincerely,

J. Nicholas Counter III

Leo T. Reed
As of August 1, 2007
Page 3

ACCEPTED AND AGREED:

Leo T. Reed
Secretary-Treasurer

As of August 1, 2007

Leo Reed
Secretary-Treasurer
Studio Transportation Drivers, Local #399
P.O. Box 6017
North Hollywood, California 91603

Re: Special Conditions for Movies for Television and Long-Form Television Motion Pictures, Made for DVD Productions and Low Budget Theatrical Productions

Dear Leo:

This will confirm the agreement reached by the ALLIANCE OF MOTION PICTURE & TELEVISION PRODUCERS, on behalf of the Producers listed in the 2007 Studio Transportation Drivers, Local #399 Agreement (hereinafter referred to individually as "the Producer") and STUDIO TRANSPORTATION DRIVERS, LOCAL #399.

WHEREAS the Producer is a signatory party to the Producer - Studio Transportation Drivers, Local #399 Agreement of 2007; and

WHEREAS special conditions exist regarding movies for television (also referred to as "movies-of-the-week") and long-form television productions; and

WHEREAS special conditions exist in order to preserve and maintain employment for Local #399 members;

THEREFORE, it is agreed as follows:

1. This sideletter and its special conditions shall apply to those made for television long-form projects (including movies-of-the-week and mini-series) which are produced by the Producer in Los Angeles between August 1, 2007 and July 31, 2010. This sideletter shall also apply to any such projects produced outside Los Angeles, but within the United States, during said time period, provided that if any such project is produced within the thirteen (13) Western states, five (5) or more Local #399-represented employees are employed on the production, or, if any such project is produced outside the thirteen (13) Western states, two (2) or more Local #399-represented employees are employed on the production.

SIDELETTER NO. 7

2. All of the terms and conditions of the Local #399 Agreement of 2007 shall apply, except as provided in the special conditions in this sideletter.
3. These special conditions shall not apply to any post-production work on the productions covered hereunder, and all post-production and lab work shall be performed in accordance with the Studio Transportation Drivers, Local #399 Agreement of 2007.
4. The roster provisions of the Local #399 Agreement are fully applicable; however, prospective employees are free to accept or refuse a call to work on any production covered hereunder and any refusal to accept a call will not count as a refusal under the roster provisions of Paragraph 62(f) of the Agreement.
5. The special conditions applicable to the productions covered hereunder are:
 - (i) Notwithstanding any wage rate changes made in the future in the Agreement, wages are as listed on the attached "Made for Television Long-Form Agreement Rate Schedules."
 - (ii) Overtime will be paid at the rate of time and one-half after eight (8) hours worked; double time to be paid after fourteen (14) elapsed hours. Overtime pay for weekly employees shall be based on one-fortieth (1/40) of the weekly rate.
 - (iii) Meal periods - The time for breaking for the meal period may be extended by up to one-half hour beyond the time specified in the Agreement without penalty at the request of the Director. Notice for such a delayed break must be given no later than one (1) hour before the meal period and the extension may not be scheduled.
 - (iv) Producer will not be required to pay the percentage of salaries for the specified contractual holidays; however, any employee working on such holiday will be paid double time. "On Call" employees will be paid for any holiday not worked during their period of employment.
 - (v) Producer will not be required to pay the percentage of salaries as vacation pay.
 - (vi) Producer will not be required to pay any transportation allowance, such as that specified in Paragraph 21 of the Agreement (commonly called "drive to monies").
6. Prior to actual employment, Producer shall inform and provide written information to each employee to be hired of the special conditions applicable to the production.

Leo Reed
Long-Form Television Sideletter
As of August 1, 2007
Page Three

SIDELETTER NO. 7

7. Producer will provide to the Union the name of the project and, upon request, the names and classifications of the employees who will be employed under the special conditions of this sideletter.
8. The parties hereby confirm that the terms and conditions of this Sideletter also apply to direct-to-video productions and to "low budget" theatrical productions. For this purpose, a "low budget" theatrical production is one for which the budget does not exceed \$7,000,000 effective July 29, 2007 (\$7,500,000 effective August 3, 2008 and \$8,000,000 effective August 2, 2009).
9. The Basic Crafts Unions shall have the right to audit any such "low budget" theatrical production to ensure that its budget falls within the aforesaid limitation. If the budget cap is exceeded, the wages, terms and conditions of this Sideletter shall not apply and, instead, the wages, terms and conditions of the Agreement shall apply retroactive to the date of hire of employees covered by this Agreement.

Sincerely,

J. Nicholas Counter III

JNC:kb

ACCEPTED AND AGREED:

Leo Reed
Secretary-Treasurer

SIDELETTER NO. 7

LONG-FORM TELEVISION MINIMUM WAGE SCHEDULES
(INCLUDING MOVIES-OF-THE-WEEK AND MINISERIES)

The following long-form television minimum wage scale shall be effective from July 29, 2007 through August 2, 2008.

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily "On Call"	Schedule C (Exempt) Weekly "On Call"	Schedule C-1 (Exempt) 40/52 Guaran. Weekly "On Call"
Occ. Code No.	Classification	Reg. Basic Hourly Rate			
		Per Hour	Per Day	Per Week	Per Week
4622	Transportation Coordinator	None ²			
4623	1st On Production Driver Gang Boss Hired	\$29.36 ³			
4624	All Other Gang Bosses (except Occ. Code Nos. 3551 and 3581)	26.73 ^{3, 4, 5}			
4625	Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles	16.37			
4626	Drivers of other vehicles which require a Class C license to operate -- crew cabs, pick-up trucks, lot tractors (shop mules or hooties), 5-ton trucks -- and condors	21.69			
4627	"Hyphenate" Driver/Craftsperson	7			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399	Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily "On Call"	Schedule C (Exempt) Weekly "On Call"	Schedule C-1 (Exempt) 40/52 Guaran. Weekly "On Call"
Occ. Code	Reg. Basic Hourly Rate			
No. Classification	Per Hour	Per Day	Per Week	Per Week
4628 Drivers of vehicles requiring a Class B license to operate, including operators of maxivans (10 or more passengers), buses (excluding forty (40) passenger buses), dump trucks, 5-ton crew cabs, crew cabs towing trailers less than 6,000 lbs. off the lot, forklifts (excluding pettibone forklifts), skip loaders, water trucks and motor homes, but excluding 10-ton trucks	\$23.67 ⁸			
4629 Drivers of forty (40) passenger buses, 10-ton trucks, and pettibone forklifts and drivers of vehicles requiring a Class A license to operate, including vehicles towing trailers over 6,000 lbs. and operators of cranes, back hoes, bulldozers, heavy duty tractors and honey wagons	25.52 ⁸			
4630 Camera Car Driver	29.36 ⁹			
4631 Production Van Driver/ Operator	29.97 ¹⁰			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399	Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily "On Call"	Schedule C (Exempt) Weekly "On Call"	Schedule C-1 (Exempt) 40/52 Guaran. Weekly "On Call"
Occ. Code	Reg. Basic Hourly Rate			
No. Classification	Per Hour	Per Day	Per Week	Per Week
4632 Stunt and/or Blind Driver	None ¹¹			
4633 Chapman Crane Operator	\$29.36			
4634 Automotive Service Person	16.37			
4635 Dispatcher	26.72 ⁴			
4636 Ramrod	None ^{2, 12, 13}			
4637 Wrangler Gang Boss	26.85 ¹²			
4638 Wrangler	24.83			
4639 Driver/Wrangler	25.52 ¹⁴			
4640 Wrangler (Pick Up)	37.45			
4641 Wrangler (Braider)	31.37			
4642 Trainer (Domestic Livestock)	None ¹⁵			
4643 Trainer (Stable)	34.37 ¹⁵			
4644 Wild Animal Trainers	34.37 ^{15, 16, 17}			
4645 Wild Animal Handlers	29.83 ^{16, 17}			
4646 Automotive Gang Boss	29.36 ^{18, 19}			
4647 Automotive Mechanic	26.91 ^{18, 19}			
4648 Dog Trainer	29.83 ^{15, 16, 20, 21}			
4649 Dog Handler	24.83 ^{16, 21}			

To the extent applicable, see footnotes beginning on page 83.

The following long-form television minimum wage scale shall be effective from August 3, 2008 through August 1, 2009.

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399	Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily "On Call"	Schedule C (Exempt) Weekly "On Call"	Schedule C-1 (Exempt) 40/52 Guaran. Weekly "On Call"
Occ. Code	Reg. Basic Hourly Rate			
No. Classification	Per Hour	Per Day	Per Week	Per Week
4622 Transportation Coordinator	None ²			
4623 1st On Production Driver Gang Boss Hired	\$30.24 ³			
4624 All Other Gang Bosses (except Occ. Code Nos. 3551 and 3581)	27.53 ^{3, 4, 5}			
4625 Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles	16.37			
4626 Drivers of other vehicles which require a Class C license to operate -- crew cabs, pick-up trucks, lot tractors (shop mules or hooties), 5-ton trucks -- and condors	22.34			
4627 "Hyphenate" Driver/ Craftsperson	7			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily "On Call"	Schedule C (Exempt) Weekly "On Call"	Schedule C-1 (Exempt) 40/52 Guaran. Weekly "On Call"
Occ. Code		Reg. Basic Hourly Rate			
No.	Classification	Per Hour	Per Day	Per Week	Per Week
4628	Drivers of vehicles requiring a Class B license to operate, including operators of maxivans (10 or more passengers), buses (excluding forty (40) passenger buses), dump trucks, 5-ton crew cabs, crew cabs towing trailers less than 6,000 lbs. off the lot, forklifts (excluding pettibone forklifts), skip loaders, water trucks and motor homes, but excluding 10-ton trucks	\$24.38 ⁸			
4629	Drivers of forty (40) passenger buses, 10-ton trucks, and pettibone forklifts and drivers of vehicles requiring a Class A license to operate, including vehicles towing trailers over 6,000 lbs. and operators of cranes, back hoes, bulldozers, heavy duty tractors and honey wagons	26.29 ⁸			
4630	Camera Car Driver	30.24 ⁹			
4631	Production Van Driver/ Operator	30.87 ¹⁰			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily "On Call"	Schedule C (Exempt) Weekly "On Call"	Schedule C-1 (Exempt) 40/52 Guaran. Weekly "On Call"
Occ. Code		Reg. Basic Hourly Rate			
No.	Classification	Per Hour	Per Day	Per Week	Per Week
4632	Stunt and/or Blind Driver	None ¹¹			
4633	Chapman Crane Operator	\$30.24			
4634	Automotive Service Person	16.37			
4635	Dispatcher	27.52 ⁴			
4636	Ramrod	None ^{2, 12, 13}			
4637	Wrangler Gang Boss	27.66 ¹²			
4638	Wrangler	25.57			
4639	Driver/Wrangler	26.29 ¹⁴			
4640	Wrangler (Pick Up)	38.57			
4641	Wrangler (Braider)	32.31			
4642	Trainer (Domestic Livestock)	None ¹⁵			
4643	Trainer (Stable)	35.40 ¹⁵			
4644	Wild Animal Trainers	35.40 ^{15, 16, 17}			
4645	Wild Animal Handlers	30.72 ^{16, 17}			
4646	Automotive Gang Boss	30.24 ^{18, 19}			
4647	Automotive Mechanic	27.72 ^{18, 19}			
4648	Dog Trainer	30.72 ^{15, 16, 20, 21}			
4649	Dog Handler	25.57 ^{16, 21}			

To the extent applicable, see footnotes beginning on page 83.

The following long-form television minimum wage scale shall be effective from August 2, 2009 through July 31, 2010.

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399	Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily "On Call"	Schedule C (Exempt) Weekly "On Call"	Schedule C-1 (Exempt) 40/52 Guaran. Weekly "On Call"
Occ. Code	Reg. Basic Hourly Rate			
No. Classification	Per Hour	Per Day	Per Week	Per Week
4622 Transportation Coordinator	None ²			
4623 1st On Production Driver Gang Boss Hired	\$31.15 ³			
4624 All Other Gang Bosses (except Occ. Code Nos. 3551 and 3581)	28.36 ^{3, 4, 5}			
4625 Drivers of automobiles, station wagons, minivans (9 or fewer passengers) and motorcycles	16.86			
4626 Drivers of other vehicles which require a Class C license to operate -- crew cabs, pick-up trucks, lot tractors (shop mules or hooties), 5-ton trucks -- and condors	23.01			
4627 "Hyphenate" Driver/ Craftsperson	7			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily "On Call"	Schedule C (Exempt) Weekly "On Call"	Schedule C-1 (Exempt) 40/52 Guaran. Weekly "On Call"
Occ. Code		Reg. Basic Hourly Rate			
No.	Classification	Per Hour	Per Day	Per Week	Per Week
4628	Drivers of vehicles requiring a Class B license, including operators of maxivans (10 or more passengers), buses (excluding forty (40) passenger buses), dump trucks, 5-ton crew cabs, crew cabs towing trailers less than 6,000 lbs. off the lot, forklifts (excluding pettibone forklifts), skip loaders, water trucks and motor homes, but excluding 10-ton trucks	\$25.11 ⁸			
4629	Drivers of forty (40) passenger buses, 10-ton trucks, and pettibone forklifts and drivers of vehicles requiring a Class A license, including vehicles towing trailers over 6,000 lbs. and operators of cranes, back hoes, bulldozers, heavy duty tractors and honey wagons	27.08 ⁸			
4630	Camera Car Driver	31.15 ⁹			
4631	Production Van Driver/ Operator	31.80 ¹⁰			
4632	Stunt and/or Blind Driver	None ¹¹			

International Brotherhood of Teamsters, Studio Transportation Drivers, Local #399		Schedule A ¹ Daily Emp. 1½ after 8 and/or 40; Minimum Call - 8 hours	Schedule A-1 Daily "On Call"	Schedule C (Exempt) Weekly "On Call"	Schedule C-1 (Exempt) 40/52 Guaran. Weekly "On Call"
Occ. Code		Reg. Basic Hourly Rate			
No.	Classification	Per Hour	Per Day	Per Week	Per Week
4633	Chapman Crane Operator	\$31.15			
4634	Automotive Service Person	16.86			
4635	Dispatcher	28.35 ⁴			
4636	Ramrod	None ^{2, 12, 13}			
4637	Wrangler Gang Boss	28.49 ¹²			
4638	Wrangler	26.34			
4639	Driver/Wrangler	27.08 ¹⁴			
4640	Wrangler (Pick Up)	39.73			
4641	Wrangler (Braider)	33.28			
4642	Trainer (Domestic Livestock)	None ¹⁵			
4643	Trainer (Stable)	36.46 ¹⁵			
4644	Wild Animal Trainers	36.46 ^{15, 16, 17}			
4645	Wild Animal Handlers	31.64 ^{16, 17}			
4646	Automotive Gang Boss	31.15 ^{18, 19}			
4647	Automotive Mechanic	28.55 ^{18, 19}			
4648	Dog Trainer	31.64 ^{15, 16, 20, 21}			
4649	Dog Handler	26.34 ^{16, 21}			

To the extent applicable, see footnotes beginning on page 83.

As of August 1, 1994
Revised as of August 1, 1997

Leo Reed
Secretary Treasurer
Studio Transportation Drivers
Local #399
P.O. Box 6017
North Hollywood, CA 91603

Tim Dixon
Business Representative
International Brotherhood of
Electrical Workers, Local #40
5643 Vineland Avenue
North Hollywood, CA 91601

Earl Brendlinger
Business Representative
Studio Utility Employees
Local #724
6700 Melrose Avenue
Los Angeles, CA 90038

Mark Seay
Business Representative
Ornamental Plasterers, Modelers
and Sculptors, Local #755
13949 Ventura Blvd., Suite 305
Sherman Oaks, CA 91423

Re: 1997 Basic Crafts Memoranda of Agreement

Gentlemen:

This will confirm that the interchange language in the Sideletter re Special Conditions for Movies for Television and Long-Form Television Motion Pictures (Sideletter No. 6) and in the Sideletter re Special Conditions for One-Hour Episodic Television Series and One-Half Hour and One-Hour Pilots (Sideletter No. 5) covering movies-for-television and long-form television productions and new one-hour episodic television series and pilots, respectively, has been deleted as unnecessary. All parties agree that each of the Basic Crafts Agreements already provides for complete interchange within the bargaining unit on such productions.

Sincerely,

J. Nicholas Counter III

JNC:sjk

SIDELETTER NO. 8

As of August 1, 1994

Leo Reed
Secretary-Treasurer
Studio Transportation Drivers, Local #399
P.O. Box 6017
North Hollywood, CA 91603

Re: Sleeper Teams

Dear Leo:

This will confirm the agreement reached in the 1994 negotiations in which Local #399 agreed to discuss terms and conditions for "sleeper teams" on a Company-by-Company basis.

Sincerely,

J. Nicholas Counter III

JNC:sjk

ACCEPTED AND AGREED:

Leo Reed
Secretary-Treasurer

SIDELETTER NO. 9

As of August 1, 1994

Leo Reed
Secretary-Treasurer
Studio Transportation Drivers, Local #399
P.O. Box 6017
North Hollywood, CA 91603

Re: Interpretation of Paragraph 30

Dear Leo:

This will confirm the agreement reached during the 1994 negotiations that Paragraph 30 shall be interpreted to provide the same distant location conditions of employment for auxiliary personnel employed in the thirteen (13) Western states as for local hires.

Sincerely,

J. Nicholas Counter III

JNC:sjk

ACCEPTED AND AGREED:

Leo Reed
Secretary-Treasurer

SIDELETTER NO. 10

As of August 1, 1997
Revised as of August 1, 2004
Revised as of August 1, 2007

Leo Reed
Secretary-Treasurer
Studio Transportation Drivers, Local #399
P.O. Box 6017
North Hollywood, CA 91603

Dear Leo:

It is anticipated by the parties:

- (a) that the increased benefits for Active Employees under the defined benefit plan, as set forth in Article 12(f)(1) of the 2001 Producer–Studio Transportation Drivers, Local #399 Agreement, will be funded through future Supplemental Markets contributions;
- (b) that the increased benefits for Active Employees under the defined benefit plan, as set forth in Article 12(f)(1)(i) of the 2004 Producer–Studio Transportation Drivers, Local #399 Agreement shall be funded first through the increased contributions to the defined benefit plan as set forth in Article 12(b) of the 2004 Producer–Studio Transportation Drivers, Local #399 Agreement (*i.e.*, \$.25 per hour effective August 1, 2004; \$.15 per hour effective July 31, 2005 and \$.10 per hour effective July 30, 2006); then, next, through Supplemental Markets contributions; and, finally, through Post '60s contributions;
- (c) that the increased benefits for Active Employees under the defined benefit plan as set forth in Article 12(f)(1)(i) of the 2007 Producer–Studio Transportation Drivers, Local #399 Agreement shall be funded first through the increased contribution to the defined benefit plan as set forth in item 1(a) of the Amendment Agreement of July 30, 2006 to the Agreement of August 1, 2004 between the Alliance of Motion Picture and Television Producers and Studio Transportation Drivers, Local #399 (*i.e.*, \$.25 per hour effective July 30, 2006); then, next through Supplemental Markets contributions; and, finally, through Post '60s contributions.

If, in the future, such monies (but as to Supplemental Markets monies, only those in excess of the amounts needed to maintain benefits under the Active Employees Fund and a six (6) month reserve) are not sufficient to fund these benefit increases, then the continued funding of such

SIDELETTER NO. 11

Leo Reed

As of August 1, 1997; Revised as of August 1, 2004;

Revised as of August 1, 2007

Page 2

increases shall be provided by one of the following sources, or a combination thereof, at the discretion of the IATSE and the Basic Crafts Unions:

- (1) Post '60s monies in excess of the amount needed to maintain the level of reserves in the Retired Employees Fund at six (6) months;
- (2) all or part of the 30.5¢ per hour employer contribution to the Individual Account Plan, as needed to fund such increases.

In any event, it is understood that no additional contributions shall be required of the Producers to fund the increased benefits described in Article 12(f)(1) of the 2001, 2004 and 2007 Producer–Studio Transportation Drivers, Local #399 Agreements.

Please signify your concurrence with the foregoing by executing this letter in the space reserved for your signature and returning same to me.

Sincerely,

J. Nicholas Counter III

ACCEPTED AND AGREED:

Leo Reed
Secretary-Treasurer

SIDELETTER NO. 11

As of August 1, 2007

Leo Reed
Secretary-Treasurer
Studio Transportation Drivers, Local #399
P.O. Box 6017
North Hollywood, California 91603

Re: Traveler Program

Dear Leo:

The following terms shall apply to units working on distant location in the thirteen (13) Western states (Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming) and the Western Canadian provinces of British Columbia, Alberta and Saskatchewan:

Whenever the Producer employs a Transportation Coordinator, Driver Gang Boss and Production Van Driver on distant location in the thirteen (13) Western states and Western Canadian provinces in accordance with the terms and conditions of this Agreement, it may request implementation of the "Traveler Program." Local #399 shall grant the request of the Producer to utilize the "Traveler Program" subject to subparagraphs (a), (b) and (c) below.

(1) When automotive equipment requiring a Class 1 (A) or Class 2 (B) license for operation is taken from Los Angeles to a distant location in the thirteen (13) Western states or Western Canadian provinces, such equipment shall be operated by an employee subject to the terms of the 2007 Producer - Local #399 Studio Transportation Drivers Agreement.

(2) The opportunity to operate empty vehicles which requires a Class 3 (C) license (restricted to non-towing of any equipment or transportation of crew personnel) such as crew cabs, five (5) ton trucks (no cargo to or from location), maxi-vans (no passengers to or from location), station wagons or pick-up trucks, whether taken from the studio or rented, shall first be offered to any person who has Industry Experience Roster status, without regard to Studio Seniority or Experience Roster Grouping status.

Leo Reed
As of August 1, 2007
Page Two

Upon acceptance of such offer, such person shall be employed on a daily basis under the terms and conditions of this Agreement applicable to distant location, except that the provisions of Paragraph 35 shall not apply, provided however:

SIDELETTER NO. 12

(a) Traveler Local #399 employees shall be offered the same lodging rates as negotiated for the other employees of the Producer; and

(b) Traveler Local #399 employees shall, in the event of layoff or termination, be provided transportation back to the studio, if necessary.

This subparagraph (2) shall also be applicable to empty maxi-vans which require a Class 2 (B) license.

(3) The terms and conditions of the Traveler Agreement between the Producer and Local #399 shall be reduced to writing. The written instrument shall specify the number of Traveler employees and the vehicles designated as Traveler equipment. If the Producer violates the written Agreement, the Traveler employees shall be entitled to the benefits contained in Paragraphs 35 and 62 of the Basic Agreement.

Sincerely,

J. Nicholas Counter III

JNC:kb

ACCEPTED AND AGREED:

Leo Reed

Leo Reed
As of August 1, 2007
Page Two

SIDELETTER NO. 12

March 12, 2001

Via Facsimile and U.S. Mail

J. Nicholas Counter III, President
Alliance of Motion Picture and Television Producers
15503 Ventura Boulevard
Encino, California 91436-3140

Re: Studio Transportation Drivers, Local #399, I.B.T., AFL-CIO; International Brotherhood of Electrical Workers, Local #40; Studio Utility Employees, Local #724, Laborers International, AFL-CIO and the Alliance of Motion Picture and Television Producers – (Letter of Commitment)

Dear Mr. Counter:

Pursuant to the agreement reached on November 29, 2000 regarding the above-captioned unions, the following sets forth the commitments of Teamsters, Local #399, IBEW, Local #40 and Laborers, Local #724 to minimize grievances and increase cooperation by implementing the following understandings in the areas of concern listed below:

1. **Studio Transportation Drivers, Local #399**
 - a. **Grouping** – The following procedure shall be applicable to productions produced or financed by the “Studio” members of the AMPTP and shall pertain only to grouping grievances alleging that the Producer failed to give preference to the appropriate seniority group in hiring as provided in Paragraph 62(e)** of the Agreement.
 - (i) Local #399 will officially notify Labor Relations at those Studios which retain responsibility for employment on a particular production of a violation of Paragraph 62 of the collective bargaining agreement. This notification shall be sent either by mail or facsimile.
 - (ii) If the Studio involved acknowledges a violation of Paragraph 62, the Studio shall have three (3) business days after receipt of the notice from Local #399 to correct the improper hiring under Paragraph 62.

SIDELETTER NO. 13

** This procedure does not apply when the Producer claims to have hired the individual in accordance with Paragraph 62(e)(9).

If the Studio corrects same within the three (3) business day period, there shall be no penalty. If the Studio does not correct the improper hire within three (3) business days, the Studio shall pay to Local #399, in liquidated damages, double the amount paid to the improperly-hired employee for all hours worked by or guaranteed to the improperly-hired employee from the first day that such employee began work on the production.

- (iii) If the parties do not agree that there was a violation of Paragraph 62, Local #399 may proceed through the contractual grievance procedure for a remedy.

2. **IBEW, Local #40**

- a. **Operation of Generators** – IBEW, Local #40 will work with the Producers to minimize grievances regarding the staffing of generators.
- b. **Seniority** – IBEW, Local #40 will work with the Producers to resolve issues with individual members who occupy positions on the Producers' seniority lists.
- c. **Construction Rate** – IBEW, Local #40, upon notice from Labor Relations, shall have a discussion with Labor Relations prior to the performance of any work under the Local #40 Agreement in connection with construction work by an outside Building Trades contractor to determine whether or not the construction rate is applicable. In any event, Local #40 will cooperate with the Studio in determining the appropriate time span for which the construction rate would apply.
- d. **Hiring Preference, Foremen and Wind Machines** – IBEW, Local #40 and the AMPTP-represented Producers maintain their respective positions regarding the interpretation of these contractual provisions in the collective bargaining agreement between the parties. IBEW, Local #40 will work with the Producers to increase cooperation and minimize grievances in these areas.

3. **Laborers, Local #724**

Gardeners – Laborers, Local #724 will work with the Producers to reduce their gardening costs by encouraging the Producers, when work which does not require special skills is available, to supplement the regular gardening crew ("core

J. Nicholas Counter III, President
Alliance of Motion Picture and Television Producers
March 12, 2001
Page Three

SIDELETTER NO. 13

employees”) with laborers who may be hired at the laborer rate, either journeymen or entry level as applicable.

If any of the above Unions fails to substantially comply with its commitments herein, the AMPTP, on behalf of its member companies, may reopen the Union’s contract for the purpose of renegotiating any and all provisions contained therein. If it does so, the Agreement shall expire sixty (60) days after the date of the reopening notice. Following the expiration date, the “no-strike – no lockout” provisions of the collective bargaining agreement shall not be applicable.

I trust the above sufficiently sets forth out agreement herein. If so, please affix your signature to the space provided below.

Very truly yours,

WOHLNER KAPLON PHILLIPS
YOUNG & CUTLER

By: _____
Joseph J. Kaplon

cc: Leo T. Reed, Teamsters, Local #399
Rick DesJardins, IBEW, Local #40
Earl Brendlinger, Laborers, Local #724

ACCEPTED AND AGREED:

J. Nicholas Counter III, President
AMPTP

J. Nicholas Counter III, President
Alliance of Motion Picture and Television Producers
March 12, 2001
Page Three

SIDELETTER NO. 13

As of August 1, 2007

Leo Reed
Secretary-Treasurer
Studio Transportation Drivers, Local #399
P.O. Box 6017
North Hollywood, California 91603

Re: Pension and Health Contribution Rates

Dear Leo:

This will confirm our agreement that the Producer shall be responsible for any difference between the (defined benefit) pension and health (active and retiree) contribution rates in the 2007 Producer–Studio Transportation Drivers, Local #399 Agreement and the rates set forth in Exhibit A to the (defined benefit) Pension Plan and Health Plan Trust Agreements, as they may hereafter be amended through the period ending July 31, 2010.

Sincerely,

J. Nicholas Counter III

JNC:jrs

ACCEPTED AND AGREED:

Leo Reed

SIDELETTER NO. 14

As of August 1, 2007

Leo Reed
Secretary-Treasurer
Studio Transportation Drivers, Local #399
P.O. Box 6017
North Hollywood, California 91603

Re: Productions Made for Basic Cable

Dear Leo:

The following terms and conditions shall be applied to productions made for basic cable:

Employees working on the pilot or first season of any made-for-basic-cable series, or on any one-time program made for basic cable, shall be subject to the terms and conditions of the Long-Form Television Sideletter (Sideletter No. 7) to the Agreement. Employees working on the second and third seasons of any such series shall be subject to the terms and conditions of the New One-Hour Series Sideletter (Sideletter No. 6) to the Agreement (except that the reference in subparagraph a. of that Sideletter to “the first two production seasons” shall be changed to “the second and third production seasons” and the references in subparagraphs b. and c. of that Sideletter to “the first year” and “the second year” shall be changed to “the second year” and “the third year,” respectively). The terms and conditions of the Agreement shall apply to all subsequent seasons of such series.

Sincerely,

J. Nicholas Counter III

JNC:jrs

ACCEPTED AND AGREED:

Leo Reed

SIDELETTER NO. 15

As of August 1, 2007

Leo Reed
Secretary-Treasurer
Studio Transportation Drivers, Local #399
P.O. Box 6017
North Hollywood, California 91603

Re: Committee to Discuss National Contract

Dear Leo:

This will confirm the agreement reached during the 2007 negotiations to establish a joint committee to discuss the possibility of a national contract.

Sincerely,

J. Nicholas Counter III

JNC:jrs

ACCEPTED AND AGREED:

Leo Reed

SIDELETTER NO. 16