

American Federation of Musicians

Basic Theatrical Motion Picture Agreement



UNITY • HARMONY • ARTISTRY

13488

Independent Producers
(February 16, 2002 – February 15, 2005)

**AMERICAN FEDERATION OF MUSICIANS
BASIC THEATRICAL MOTION PICTURE AGREEMENT OF 2002**

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**AMERICAN FEDERATION OF MUSICIANS BASIC THEATRICAL
MOTION PICTURE AGREEMENT OF 2002**

THIS AGREEMENT, executed at Los Angeles, California, as of this 16th day of February, 2002, between the American Federation of Musicians of the United States and Canada (hereinafter referred to as the "Federation") and the following Companies, separately and respectively (each hereinafter referred to as "Producer"):

WITNESSETH:

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

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, and also to all conductors, featured instrumental musicians and orchestras, employed by the Producer in the State of California or elsewhere in the United

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States and Canada and whose services are rendered in connection with the production of theatrical motion pictures (excluding newsreels), all of whom will herein be collectively referred to as "Musicians."

The term "theatrical motion pictures" (hereinafter also referred to as "motion pictures" or "pictures"), as used herein, means motion pictures initially released in theatrical exhibition, whether made on or by film, tape or otherwise, and whether produced by means of motion picture cameras, electronic cameras or devices, tape devices or any combination of the foregoing or any other means, methods or devices now used or which may hereafter be adopted.

2. RECOGNITION

The Producer recognizes the Federation as the exclusive collective bargaining representative of all musicians employed by the Producer.

3. SCORING IN UNITED STATES OR CANADA

All theatrical motion pictures produced by the Producer in the United States or Canada, if scored, shall be scored in the United States or Canada.

4. UNION SECURITY

It shall be a condition of employment that all employees of the Producer covered by this Agreement who are members of the Federation in good standing on the execution date of this Union Security agreement shall remain members in good standing and those who are not members on the execution date of this Union Security agreement shall, on the thirtieth day following said execution date, become and remain members in good standing of the Federation. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after said execution date shall, on the thirtieth day following the beginning of such employment, become and remain members in good standing of the Federation.

To the extent permitted by applicable law, only the services of members in good standing of the Federation shall be used for the performance of any bargaining unit work in Canada.

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5. WAGE SCALES, HOURS OF EMPLOYMENT AND WORKING CONDITIONS

This Agreement will not become effective unless and until it is approved by the American Federation of Musicians of the United States and Canada. Following such approval, payment of wage scales will be effective retroactive to February 17, 2002. All other economic benefits and working conditions will be effective as of October 16, 2002.

6. FEDERATION REPRESENTATIVE

The duly authorized business representative of the Federation and any other representative duly authorized in writing by the Federation shall be furnished a pass to the studio. He/she shall be permitted to visit, during working hours, any portion of the studio necessary for the proper conduct of the business of the Federation.

The Producer shall respond promptly to requests by the Federation through such representatives for information relating to Producer's performance of its duties and obligations under this Agreement. Upon request by the Federation, through such representatives, the Producer shall, at its option, either (i) permit such representatives of the Federation to view, on the Producer's premises, or (ii) loan to the Federation, a print of any motion picture subject to this Agreement. Producer shall not be required to exercise either such option until after the initial release of the picture for exhibition.

7. COPIES OF CONTRACTS

Producer agrees that individuals under personal service contract will be given an extra copy of such contract, which may be transmitted to the Federation. The terms of such personal service contract shall not be in violation of the terms of this Basic Agreement. The Producer will furnish the Federation Representative with the name or names of such individuals who sign such personal service contracts.

8. SOUND TRACK REGULATIONS

(a) The Producer agrees that all music sound track already recorded, or which will be recorded prior to the expiration of this Agreement, will not be used at any time for any purpose whatsoever except to accompany the picture for which the music sound track was originally prepared, with the following exceptions:

(1) Music recorded for any picture may be used for any trailers (including theatrical or television) advertising the same picture.

When a trailer is made before the picture is scored, the Producer may either: (i) use other music sound track previously scored under agreements with the Federation, provided prior advance notice is given to the Federation specifying the reasons for the use of such music sound track; or (ii) record the sound track for such trailer under the Federation's Television and Radio Commercial Announcements Agreement. The sound track scored for the picture may be substituted for use in the trailer.

Complete scenes or portions of any scene from a theatrical motion picture may not be shown on television for purposes of advertising or exploiting the theatrical motion picture without the consent of the Federation, except that this limitation does not apply to such scenes or portion of a scene, as the case may be, which do not exceed four hundred (400) feet of 35mm film containing not less than two (2) scenes with actors or two hundred (200) feet of 35mm film containing one (1) scene with actors or the equivalent of the foregoing if 16mm film is used. The foregoing shall not be deemed to prohibit the use of trailers advertising or exploiting the exhibition of the picture on television.

(2) Music sound track previously recorded may be used to "stock" subsequent pictures for "sneak previews."

(3) Acetate copies of prescore recordings may be made for necessary rehearsing by artists, directors and/or for the edification of company executives only.

(4) If any prescored musical numbers are, for any reasons, deleted from the picture for which they were designated and such deletion is done before the picture is released, the Producer shall have the right to re-register such work with the Federation Representative for a subsequent production; the intent of this being that the Producer shall have the right to use all prescored numbers in one released production.

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(5) Portions of the music sound track from a motion picture may be reused in accordance with the provisions of Article 8A. hereof.

(b) (1) (i) When sound track is dubbed for phonograph records or radio or television commercial announcements, Producer shall be responsible, or shall require its buyer, licensee or other authorized transferee ("Licensee") to become responsible, for: (A) the payment to those musicians who rendered services in making the original sound track used of an amount equal to the scale wages provided in the then-effective Sound Recording Labor Agreement (previously known as the Phonograph Record Labor Agreement) or the Television and Radio Commercial Announcements Agreement, as applicable, plus pension contributions, or, in the case of those musicians employed under the "multi-tracking rates," if the sound track is used in a phonograph record, the applicable payments in accordance with the provisions of Paragraph 15(a)(2)(iii) hereof (plus pension contributions); and (B) the other additional payments, if any, applicable to such phonograph record or commercial announcement use, as is provided in the then-effective Sound Recording Labor Agreement or Television and Radio Commercial Announcements Agreement, as applicable.

(ii) Fifteen Percent (15%) Discount for Certain Soundtracks

The Producer or its Licensee is entitled to a fifteen percent (15%) discount from the applicable rate in subparagraph (b)(1)(i)(A) above for soundtrack records which: (i) use 45 minutes or more of music originally recorded for the motion picture; and (ii) utilize 80 or more musicians (excluding orchestrators and music preparation musicians) for whom payment is due under this Article 8(b)(1), provided that the following conditions are met:

(A) The following logo or credit must be provided on the jacket or other packaging accompanying the record:

(1) The AFM logo or credit to "American Federation of Musicians."

(2) The instrumental musicians who performed on the largest recording session from which a cue is extracted for the soundtrack record must be credited by name and instrument (the largest session is the one utilizing the most musicians; if more than one has the identical "largest" number, the Producer or its Licensee will identify from which session the credits will be determined). Such musicians may be grouped by instrumental categories.

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(3) The Leader/Conductor, Orchestra Manager, Orchestrator(s), Librarian, and Music Prep Service/Supervising Copyist must be credited by name and position.

(4) Any inadvertent error or omission with regard to credits required under subparagraphs (b)(1)(ii)(A)(2) and (3) above will not be deemed a violation of this Article 8(b)(1)(ii), provided that the Producer or its Licensee has made a reasonable effort to comply with those provisions.

(B) An "organization name credit" that has been approved by the AFM must be placed on the front or back cover in a type size that is not less than fifty percent (50%) of the type size used for the composer credit unless no applicable organization name credit exists; provided that the entity that owns the organization name has agreed to hold harmless and indemnify the Producer and/or its Licensee from and against any action arising out of the authorized use of such organization names.

(C) The Producer or its Licensee must provide the AFM with 75 copies of the commercially released soundtrack recording as soon as practicable upon its release.

(D) If the Producer or its Licensee fails to satisfy any of the foregoing requirements, the special rates in this Article 8(b)(1)(ii) will not apply and the Producer or its Licensee will be required to make payment for the soundtrack record in accordance with Article 8(b)(1)(i).

(2) The Producer shall be responsible for making the foregoing payments referred to in subparagraph (b)(1) above unless and until the Producer has provided the Federation with either: (i) evidence or an extract of the provision in the license agreement in which the Licensee has agreed to make those payments; or (ii) an assumption agreement under which the Licensee has assumed the obligation to make such payments. (No proprietary information contained in the license agreement need be provided to the Federation.) Upon giving notice to the Federation on or prior to the delivery to a Licensee who is a party signatory to the Sound Recording Labor Agreement or Television and Radio Commercial Announcements Agreement, as applicable, of the necessary musical elements required to prepare a soundtrack album, Producer shall be relieved of further obligation under subparagraph (b)(2).

(3) The assumption agreement referred to in subparagraph (b)(2) above shall be in the following form:

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“The undersigned, _____,
(insert name of buyer, licensee or other authorized transferee)
herein for convenience referred to as the ‘Buyer,’ hereby agrees
with _____
(insert name of Producer)

that _____
(identify title, length and identification number of each recording covered by agreement)
is subject to the AFM Basic Theatrical Agreement of 2002 with respect to the provisions of Article 8(b) thereof which requires that, when sound track is dubbed for a phonograph record or a radio or television commercial announcement, the following payments shall be made to all musicians who rendered services in making the original sound track: (i) scale wages (plus pension contributions) calculated in accordance with the then-effective Sound Recording Labor Agreement or Television and Radio Commercial Announcements Agreement, as applicable, except that payments to musicians employed under the “multi-tracking” provisions of the AFM Basic Theatrical Agreement shall be calculated in accordance with those provisions; and (ii) the other additional payments applicable to such phonograph record or radio or television commercial announcement use as set forth in the then-effective Sound Recording Labor Agreement or Television and Radio Commercial Announcements Agreement, as applicable, including but not limited to payments to the Sound Recording Special Payments Fund and the Music Performance Trust Funds. Said Buyer hereby agrees, expressly for the benefit of such musicians, to make said payments required thereby. It is expressly understood and agreed that the rights of Buyer to dub such music sound track for phonograph records or radio or television commercial announcements or to sell such phonograph records or radio or television commercial announcements containing such dubbed music sound track shall be subject to and conditioned upon payment to the musicians as provided in Article 8(b) of said Basic Agreement, and it is agreed that the Federation, the Sound Recording Special Payments Fund and the Music Performance Trust Funds (“the Funds”), as applicable, shall be entitled to seek injunctive relief and damages against Buyer in the event such payments are not made.

“Buyer shall be liable to make the payments described above but only based upon rights actually acquired by Buyer and only for the period it holds such rights.

“The undersigned agrees to keep or have access to complete records showing the number of phonograph records, tapes and other devices subject

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to payment under the provisions of this agreement which have been sold during the applicable reporting periods, the dates of initial release for sale thereof, the manufacturer's suggested retail price thereof and the component units thereof, and the excise and sales taxes, if any, and the Federation and/or the Sound Recording Special Payments Fund and/or the Music Performance Trust Funds, as applicable, shall have the right at all reasonable times to inspect such records. The undersigned shall give the Federation prompt written notice of the date on which the phonograph record containing such dubbed music sound track covered hereby is first released for sale. 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 Federation.

“Buyer further agrees that in the event of a sale, transfer, license or assignment of the right to dub sound track from the motion picture for phonograph records, Buyer shall obtain from the purchaser, transferee, licensee or assignee an Assumption Agreement covering the rights disposed of in the form set forth herein and shall provide an executed copy of such Assumption Agreement to the Federation. Upon delivery of such Assumption Agreement, Buyer shall not be further liable to the Federation or the Funds for the keeping of any records related to or the payments required based upon the rights covered under the Assumption Agreement and the Federation and the Funds agree to look exclusively to the purchaser, transferee, licensee or assignee executing such Assumption Agreement for compliance with the provisions of Article 8(b)(1). In the event Buyer fails to deliver such Assumption Agreement, it shall continue to be liable for the payments required under Article 8(b)(1).”

It is understood that additional provisions may be included in form Assumption Agreements, so long as such additional provision(s) do not vary or alter the terms of the foregoing Assumption Agreement.

Producer agrees to give notice to the Federation within thirty (30) days of each sale, transfer or license of such dubbing rights, with the name and address of the Buyer or assignee, and to deliver to the Federation 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 (b) 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 Federation.

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Upon delivery of such assumption agreement, Producer, or any subsequent owner obtaining the execution of such an assumption agreement, shall not be further liable to the Federation or to the Funds for the keeping of any such records or the payments required hereunder insofar as they relate to the dubbing of music sound track for phonograph records, and the Federation and the Funds agree to look exclusively to the party last executing such an assumption agreement for the keeping of such records and compliance with payment obligations.

(c) The Producer further agrees to register identification of picture and music sound track with the Federation Representative.

(d) It is agreed that persons employed under this Agreement shall not be required or permitted to record music sound track for general usage or for any purpose whatsoever except as provided herein.

(e) It is further agreed that all music sound track already recorded, commonly referred to as "library music sound track," will not be disposed of, sold, leased or used for any picture or purpose except to accompany revival of the picture for which recordings were originally made.

(f) It is agreed that persons employed under this Agreement will not be required or permitted to use music sound track for any purpose in violation of the terms herein provided.

(g) The Producer is not restricted from continuing the established industry practice of exchanging so-called "stock shots."

(h) The use of library music sound track for short subjects is prohibited.

(i) No orchestra or part thereof shall be permitted to augment music recordings in the same session in which the original recordings are made. The above is not intended to prohibit the Producer from making musical bridges, replacements or other special musical effects for the purpose of musical punctuation, matching a picture action or other special effects, such as reverberation where the tracks are staggered several sprocket holes or frames to give sound effects not obtainable with more musicians. It shall not be the intention of the Producer to program a recording call specifically for augmenting music tracks as a means of eliminating musicians.

(j) The Producer agrees that the substance and intent of Article 8 hereof shall be incorporated in all agreements made by the Producer for licensing, leasing,

lending, giving, selling, utilizing or other disposition of music sound track containing the recorded music made by members of the Federation, or scenes or shots containing pictures of members of the Federation performing on musical instruments or conducting.

8A. REUSE OF PORTIONS OF THE MUSIC SOUND TRACK FROM A MOTION PICTURE

Notwithstanding anything to the contrary in Article 8 and except as provided in subparagraph (e) below, no additional compensation shall be payable for the reuse of any portion of the music sound track of a motion picture in the following circumstances:

(a) When used for promotional, trailer, news or review purposes. For purposes of this subparagraph, a "promotional" use shall be for the purpose of advertising or publicizing the specific motion picture or serial or series from which the sound track is taken (including the filming of musicians engaged in the recording of such sound track). The term "promotional," as used herein, shall also include "the making of..." or "behind-the-scenes"-type programs. As used in this subparagraph (a), the term "news" means regularly-scheduled news programs and special news programs which are not pre-planned and which are broadcast within twenty-four (24) hours after the event which gave rise to the program. It is understood that obituary programs are deemed to be "special news programs" even if pre-planned.

Upon learning of any unauthorized use of either "the making of..." or "behind-the-scenes"-type promotional programs, the parties will jointly discuss appropriate steps to be taken to collect monies for such unauthorized use.

(b) When used as a so-called "stock shot," as that term is customarily understood in the industry -- (*i.e.*, shots excluding dialogue or identifiable characters).

(c) When used for purposes of recapping the story to date in the context of a serial, multi-part program, episodic series, unit series or anthology.

(d) When used as a flashback in a context of a serial, multi-part program, episodic series, unit series, one-time show or anthology, except that this shall not apply to programs comprised primarily of flashbacks.

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(e) (1) For any use of any portion of a production number with the accompanying footage from a motion picture, or for the use of up to two (2) minutes of music sound track from a motion picture without the accompanying footage, which use is not within the exceptions provided for in subparagraphs (a)-(d) above, the Producer shall pay the following aggregate one-time-only sum for each motion picture to the musician or musicians determined by the Federation to be entitled to such compensation and prorated among such musicians as determined by the Federation:

- (i) one (1) minute or less of sound track - \$1,500;
- (ii) for each thirty (30) seconds or portion thereof in excess of one (1) minute - \$750.

(2) For the use of any other music sound track with the accompanying footage from a motion picture not covered under subparagraph (e)(1) above, which use is not within the exceptions provided for in subparagraphs (a)-(d) above, the Producer shall pay the following aggregate one-time-only sum for each motion picture to the musician or musicians determined by the Federation to be entitled to such compensation and prorated among such musicians as determined by the Federation:

- (i) one (1) minute or less of sound track - \$750;
- (ii) for each thirty (30) seconds or portion thereof in excess of one (1) minute - \$375.

(f) The provisions of this Article apply to the uses specified above after February 15, 2002 of a portion of the music sound track from a motion picture recorded under this Agreement or any predecessor Agreement thereto; provided, however, no payment shall be required hereunder for the use of any portion of the music sound track from a motion picture if the collective bargaining agreement under which such music was recorded contained no restrictions on the reuse of such sound track or if such collective bargaining agreement permitted the reuse of such material without additional compensation.

(g) The actual production company which produces the program or motion picture containing the excerpted portion of the music sound track requiring payment is obligated to make the payment required under this Article, provided the company is signatory to this Agreement. The Producer shall otherwise remain liable for the payment due.

8B. USE OF MUSIC PREVIOUSLY RECORDED UNDER ANOTHER AMERICAN FEDERATION OF MUSICIANS AGREEMENT

(a) When music previously recorded under another American Federation of Musicians Agreement is used in a theatrical motion picture and such Agreement requires payment for such use, the use payments shall be the then-current minimum session fee set forth in this Agreement.

(b) Notwithstanding the provisions of subparagraph (a) above, when one (1) or more phonograph records (as defined in the AFM Sound Recording Labor Agreement) produced under the AFM Sound Recording Labor Agreement are used in a theatrical motion picture for which there were one or more scoring sessions under this Agreement, the following provisions will apply:

(i) The applicable payment shall be eighty percent (80%) of the then-current minimum session fee set forth in this Agreement provided that the Producer satisfies the requirements set forth in subparagraphs (A) and (B) below.

(A) Within forty-five (45) days of the release of the motion picture, the Producer must provide the Federation with the following information for each phonograph record used: the title and release date of the motion picture, the title of the phonograph record (*i.e.*, song); the artist(s); and the name of the licensor. The Federation shall designate the person to whom such information shall be submitted.

(B) The Producer must make the eighty percent (80%) payment in full within forty-five (45) days from the date on which the Producer receives a bill from the Federation, accompanied by appropriate documentation of the Producer's obligation to make the payment to the affected musicians. For the purposes of the foregoing sentence, appropriate documentation shall include, but not be limited to: (1) B Forms identifying the musicians who participated in the recording of the phonograph record, or (2) the album or CD jacket identifying the musicians who participated in the recording of the phonograph record, along with reasonable evidence of the signatory status of the phonograph record producer at the time of the session(s), if the Federation, after reasonable efforts, is unable to locate a B Form.

(ii) In the case of a *bona fide* dispute arising hereunder, provided the information set forth in subparagraph (b)(i)(A) above has been provided to the Federation within the time limit set forth in subparagraph (b)(i)(A), the forty-five

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(45) day period set forth in subparagraph (b)(i)(B) above shall be tolled during the pendency of such dispute, but only with respect to the amount in dispute.

(iii) If the eighty percent (80%) payment is not made in full within such forty-five (45) day period (extended in accordance with subparagraph (b)(ii) above, if applicable), or if the Producer fails to provide the information set forth in subparagraph (b)(i)(A) above within the time period set forth in subparagraph (b)(i)(A):

(A) The Producer shall not be entitled to the eighty percent (80%) payment rate and payment shall be made in accordance with subparagraph (a) above; and

(B) the late payment provisions set forth in Paragraph 14 will apply.

**8C. SPECIAL PROVISIONS REGARDING SOUNDTRACK RECORDS
RELEASED IN CONNECTION WITH THEATRICAL MOTION
PICTURES**

In a joint effort to promote theatrical motion picture films and/or television films, the parties have mutually agreed to the following as an alternative to the existing soundtrack record provisions:

With respect to any soundtrack record released in connection with any theatrical motion picture and/or television film subsequent to the effective date of this Agreement, the Producer may elect to compensate musicians who rendered services in making the original sound track in accordance with the provisions of subparagraphs (a), (b) or (c) below:

(a) (1) Upon release of the record an amount equal to fifty percent (50%) of the scale wages calculated using the basic session rate (plus AFM Employers' Pension Fund contributions*) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement;

(2) An amount equal to an additional fifty percent (50%) of the scale wages calculated using the basic session rate (plus AFM Employers' Pension

* Producers shall not be obligated to make any Health Plan payments.

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Fund contributions*) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement once the net sales exceed 50,000 records;

(3) An amount equal to an additional twenty percent (20%) of the scale wages calculated using the basic session rate (plus AFM Employers' Pension Fund contributions*) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement once the net sales exceed 100,000 records.

(b) Fifteen Percent (15%) Discount for Certain Soundtracks

The Producer or its Licensee is entitled to a fifteen percent (15%) discount from the rates in subparagraph (a)(1) above (payments due on release) for soundtrack records which: (i) use 45 minutes or more of music originally recorded for the motion picture; and (ii) utilize 80 or more musicians (excluding orchestrators and music preparation musicians) for whom payment is due under this Article 8C, provided that the following conditions are met:

(1) The following logo or credit must be provided on the jacket or other packaging accompanying the record:

(i) The AFM logo or credit to "American Federation of Musicians."

(ii) The instrumental musicians who performed on the largest recording session from which a cue is extracted for the soundtrack record must be credited by name and instrument (the largest session is the one utilizing the most musicians; if more than one has the identical "largest" number, the Producer or its Licensee will identify from which session the credits will be determined). Such musicians may be grouped by instrumental categories.

(iii) The Leader/Conductor, Orchestra Manager, Orchestrator(s), Librarian, and Music Prep Service/Supervising Copyist must be credited by name and position.

(iv) Any inadvertent error or omission with regard to credits required under subparagraphs (ii) and (iii) above will not be deemed a violation of this Article 8C provided that the Producer or its Licensee has made a reasonable effort to comply with those provisions.

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(2) An "organization name credit" that has been approved by the AFM must be placed on the front or back cover in a type size that is not less than fifty percent (50%) of the type size used for the composer credit unless no applicable organization name credit exists; provided that the entity that owns the organization name has agreed to hold harmless and indemnify the Producer and/or its Licensee from and against any action arising out of the authorized use of such organization names.

(3) The Producer or its Licensee must provide the AFM with 75 copies of the commercially released soundtrack recording as soon as practicable upon its release.

(4) If the Producer or its Licensee fails to satisfy any of the foregoing requirements, the special rates in this Article 8C(b) will not apply and the Producer or its Licensee will be required to make payment for the soundtrack record in accordance with Article 8C(a).

(c) For the use of up to seven and one-half (7½) minutes of music sound track from a motion picture in a phonograph record, Producer shall pay to the musicians who recorded such music sound track one hundred percent (100%) of the scale wages calculated using the special session rate (plus AFM Employers' Pension Fund contributions*) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement.

(d) It is understood that the same phonograph recording may incorporate motion picture sound track for which musicians are paid pursuant to subparagraphs (a), (b) and (c) above.

**8D. OPTIONAL PROVISIONS REGARDING SOUNDTRACK RECORDS
RELEASED IN CONNECTION WITH THEATRICAL MOTION
PICTURES**

With respect to any soundtrack record released in connection with any theatrical motion picture subsequent to the effective date of this Agreement (except for soundtrack records that include cues from any sessions scored in Canada under the Basic Theatrical Motion Picture Agreement), the Producer (or its buyer, licensee or other authorized transferee ("Licensee")) may elect to compensate musicians who rendered services in making the original sound track in accordance

* Producers shall not be obligated to make any Health Plan payments.

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with the provisions of subparagraph (a) below, provided that the Producer or its Licensee also meets the conditions of subparagraph (c) below:

(a) Payments

(1) Upon release of the record, an amount equal to twenty-five percent (25%) of the scale wages (plus AFM Employers' Pension Fund contributions but not including health and welfare contributions) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement;

(2) An amount equal to an additional twenty-five percent (25%) of the scale wages (plus AFM Employers' Pension Fund contributions but not including health and welfare contributions) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement for sales in excess of 25,000 units;

(3) An amount equal to an additional fifty percent (50%) of the scale wages (plus AFM Employers' Pension Fund contributions but not including health and welfare contributions) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement for sales in excess of 50,000 units; and

(4) An amount equal to an additional twenty percent (20%) of the scale wages (plus AFM Employers' Pension Fund contributions but not including health and welfare contributions) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement for sales in excess of 100,000 units.

(b) Fifteen Percent (15%) Discount for Certain Soundtracks

The Producer or its Licensee is entitled to a fifteen percent (15%) discount from the rates in subparagraph (a)(1) above (payments due on release) for soundtrack records which: (i) use 45 minutes or more of music originally recorded for the motion picture; and (ii) utilize 80 or more musicians (excluding orchestrators and music preparation musicians) for whom payment is due under this Article 8D.

(c) Conditions

(1) The following logo or credit must be provided on the jacket or other packaging accompanying the record:

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(i) The AFM logo or credit to "The American Federation of Musicians."

(ii) The instrumental musicians who performed on the largest recording session from which a cue is extracted for the soundtrack record must be credited by name and instrument (the largest session is the one utilizing the most musicians; if more than one has the identical "largest" number, the Producer or its Licensee will identify from which session the credits will be determined). Such musicians may be grouped by instrumental categories.

(iii) The Leader/Conductor, Orchestra Manager, Orchestrator(s), Librarian, and Music Prep Service/Supervising Copyist must be credited by name and position.

(iv) Any inadvertent error or omission with regard to credits required under subparagraphs (ii) and (iii) above will not be deemed a violation of this Article 8D, provided that the Producer or its Licensee has made a reasonable effort to comply with those provisions.

(2) An "organization name credit" that has been approved by the AFM must be placed on the front or back cover in a type size that is no less than fifty percent (50%) of the type size used for the composer credit unless no applicable organization name credit exists; provided that the entity that owns the organization name has agreed to hold harmless and indemnify the Producer and/or its Licensee from and against any action arising out of the authorized use of such organization names.

(3) The Producer or its Licensee must provide the AFM with 75 copies of the commercially released soundtrack recording as soon as practicable upon its release.

(4) If the Producer or its Licensee fails to satisfy any of the foregoing requirements, the special rates in this Article 8D will not apply and the Producer or its Licensee will be required to make payment for the soundtrack record in accordance with Article 8C(a).

9. 16mm FILM

The Producer and/or its subsidiaries in the United States and/or Canada agree not to produce, distribute or make use of 16mm film with music sound track

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produced within the United States and/or Canada, unless such music sound track is recorded by live musicians specifically for that picture. (This shall not apply to pictures produced and distributed outside of the territorial limits of the United States and Canada.)

The same wage scales and working conditions that obtain in the 35mm motion picture field shall apply to 16mm films. It is not the intent to impose any extra charge when 35mm subjects are released on 16mm film.

10. EMPLOYEES IN ARMED SERVICES

Recognizing the moral and legal responsibility to the men and women who may enter the Armed Services, the Producer and the Federation agree that they have a joint responsibility (subject to the then-existing statutes) in the reinstatement of such employees to the positions such employees held prior to their entry into the Armed Services.

The Producer and the Federation agree that employees temporarily holding such jobs will be displaced by such returning employees.

11. "PROFESSIONAL" CAPACITY

The Federation and the Producer have agreed that all musicians are employed by the Producer in a "professional" capacity within the meaning of the "Fair Labor Standards Act of 1938," as amended.

12. CONFORMITY WITH LAW

It is understood that all of the provisions of this Agreement shall be subject to the provisions of presently existing and valid state or federal law, and that the Producer shall not be required to take any action under this Agreement in conflict with any such provisions of law.

13. BETTER CONDITIONS

Nothing in this Agreement shall prevent any individual musician from negotiating and obtaining from the Producer better conditions and terms of employment than those herein provided.

14. AGREEMENT BINDING ON WHOM

This Agreement shall be binding upon the Producer, upon its successors, and shall be applicable to any company in which Producer has a twenty-five percent (25%) or more financial interest, engaged in the production of theatrical motion pictures, provided such company at such time does not have a collective bargaining agreement or agreements covering the employee classifications subject to this Agreement.

15. POST '60 THEATRICAL MOTION PICTURES

(a) The provisions of this Article 15 relate and apply only to theatrical motion pictures produced by Producer and subject to this Agreement or to the prior American Federation of Musicians Basic Theatrical Motion Picture Agreements of 1960, 1964, 1969, 1972, 1974, 1977, 1981, 1984, 1987, 1990, 1993, 1996 and 1999:

(i) The principal photography of which commenced on or after January 31, 1960, and with respect to the release to free television of such motion pictures either during the term hereof or at any time thereafter; and

(ii) In which there is music sound track containing recorded music made by "participating musicians," (as such term is hereinafter defined), or scenes or shots containing pictures of participating musicians performing on musical instruments or conducting.

(b) As to each such motion picture, the Producer will pay:

(i) To the Administrator of the Film Musicians Secondary Markets Fund (previously known as the Theatrical and Television Motion Picture Special Payments Fund) (hereinafter the "Secondary Markets Fund") pursuant to the terms of this Article 15 and the Film Musicians Secondary Markets Fund Agreement attached hereto and made a part hereof as Exhibit "A," one and two-thirds percent

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(1 $\frac{2}{3}$ %) (hereinafter referred to as the “percentage payment”) of the Producer’s accountable receipts from the distribution of such motion picture on free television after February 16, 2002, computed as hereinafter provided and subject to the following conditions:

(1) The term “Producer’s gross,” as used herein, means the worldwide total gross receipts derived by 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 subdistributor to so distribute the motion picture, then the “Producer’s gross” shall be the worldwide total gross receipts derived by such subdistributor 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 sale 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 Federation 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 Federation 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 photoplay 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.

Monies received from AGICOA for such motion picture shall be included in “Producer’s gross,” with respect to payments due to the

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Secondary Markets Fund pursuant to the provisions of Article 15 on or after February 16, 2002.

(2) 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.

(3) Producer's obligation shall accrue hereunder only after accountable receipts are received by the Producer; but as to foreign receipts, such obligations shall not accrue, nor be included in accountable receipts, 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 to Producer 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 such 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. Payments of amounts accruing hereunder shall be made quarterly on the basis of quarterly statements, as hereinafter provided. 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 Federation, Employers' Pension Fund or the Secondary Markets Fund, as the case may be, and the Musicians 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 nonreturnable advance by a distributor, such advance shall be included in the Producer's gross.

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A “non-returnable advance” is to be included in “accountable receipts” when the picture is “available” and “identifiable” and the amount of the advance payment is “ascertainable.”

The picture is “available” when the first of the following occurs:

(A) The product first may be exhibited or otherwise exploited by a specified method of distribution and in a territory under the terms of the applicable license or distribution agreement, or

(B) It first may be sold or rented by a retailer under the terms of the applicable license or distribution agreement.

The picture is “identifiable” when the Producer first knows or reasonably should have known that a given motion picture is covered by a particular license or distribution agreement for its exploitation in the applicable market.

The amount of the advance payment is “ascertainable” if:

(A) the advance is for one motion picture, means of exhibition, and territory, or

(B) the total amount of the advance is for more than one motion picture, means of exhibition and/or territory, in which case the Producer shall fairly and reasonably allocate such advance among the licensed motion pictures, exhibition markets and/or territorial markets. As each of these pictures becomes identifiable and available, the allocated portion of the non-returnable advance is to be included in “Producer’s gross” for that quarter. The Producer shall notify the Secondary Markets Fund of its allocation when the report of “Producer’s gross,” which includes the advance, is to be filed.

If the picture is available in any territory or by any means of exhibition and is identifiable and the amount of the advance is ascertainable, but the Producer does not provide the Secondary Markets Fund with the information required by this Agreement and applicable law, then the advance shall be deemed includable in “accountable receipts” no later than six (6) months after the Producer receives it.

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An advance received by a Producer's parent, subsidiary or any other related or affiliated entity or successor-in-interest, or by any other entity to which the advance payment is directed by the Producer or license or distribution agreement, shall be considered as an advance payment received by the Producer.

(4) 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.

(5) The term "participating musician," as used herein, means a musician who, while in the employ of the Producer (to which employment the provisions of this Agreement apply), participated in the preparation for or the recording of the music sound track for such motion picture or who was photographed in such motion picture as performing on musical instruments or conducting. If payments hereunder are made to the Employers' Pension Fund, the "pro rata share" credited to each participating musician shall be that proportion of the percentage payment that the total compensation theretofore paid to such musician for his/her said services in the motion picture in an employment capacity bears to the aggregate total compensation theretofore paid to all participating musicians for their services in recording or being photographed in the motion picture in an employment capacity. If payments hereunder are made to the Secondary Markets Fund, there shall be payable to each participating musician that portion of the part of the musician's share of the Secondary Markets Fund which is allocable to such motion picture that the total compensation theretofore paid to such musician for his/her said services in the motion picture in an employment capacity bears to the aggregate total compensation theretofore paid to all participating musicians for their services in recording or being photographed in the motion picture in an employment capacity.

The term "total compensation," as used herein, means all monies paid to a participating musician for his/her said services, or his/her heirs, executors, administrators or assigns as of a time immediately preceding the close of the annual period covered by the Producer's annual statement involved. The cost of transportation or living expenses paid to or on behalf of musicians shall not be included in "total compensation."

(a) Such payments made hereunder to the Employers' Pension Fund are not and shall not in any manner be construed to be

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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.

(b) The Administrator of the Secondary Markets Fund shall make all deductions and withholdings required by law, and shall timely make all such reports and payments to governmental agencies as may be required by law.

(6) When "participating musicians" have been utilized in creating the music sound track for a motion picture which is scored partially in the United States or Canada and partially outside of the United States and Canada, the percentage payment into the Secondary Markets Fund shall be as follows: the payment shall be prorated by multiplying such percentage payment by a fraction whose numerator consists of the total salaries paid to the musicians employed under the terms of this Agreement and the denominator of which consists of the total salaries paid to all musicians employed in connection with the scoring of such motion picture. The foregoing proration formula shall be subject to the following exceptions: (i) in any instance in which the total salaries paid to musicians employed under this Agreement are less than thirty percent (30%) of the total salaries paid to all musicians employed in connection with the scoring of the motion picture, the Producer shall nevertheless be required to pay thirty percent (30%) of the percentage payment due; and (ii) in any instance in which the total salaries paid to musicians employed under this Agreement total seventy-five percent (75%) or more of the total salaries paid to all musicians employed in connection with the scoring of the motion picture, then the Producer shall be required to make a contribution to the Secondary Markets Fund equal to what the contribution would have been if one hundred percent (100%) of the scoring had taken place in the United States or Canada. The Producer shall provide to the auditors the information necessary to determine the correct *pro rata* payment.* The Producer will identify a motion picture as subject to this subparagraph (6) at the time of the first payment to the Fund for that motion picture.

(7) Producer will furnish to the Federation and the Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, written reports on forms prepared by the Fund, approved by the AMPTP and the Federation, and furnished by the 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. If payments hereunder are to the

* The foregoing provisions of this subparagraph (6) are without prejudice to the respective positions of the parties as to the meaning of Article 3 ("Scoring in the United States and Canada") of this Agreement.

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Employers' Pension Fund, such reports shall be furnished annually for each fiscal year of the Producer. If payments hereunder are to the Secondary Markets Fund, then such reports shall be furnished on a quarterly basis for each calendar year. 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 Employers' Pension Fund, or to the Secondary Markets Fund, as the case may be. Each such report shall designate, when known, the title, the production number (if available) and, when applicable, the episode number of the motion picture involved, the name of the production entity (if available), the distributor's name, the distributor's disbursing agent (if applicable), the period covered by the payment and, if receipts from release of the picture to free television are included in the payment, a breakdown of gross receipts attributable to Supplemental Markets and those attributable to free television release. On request, the Producer shall make available to the Federation or the Administrator of the Secondary Markets Fund all accounting statements delivered by a distributor to the Producer, but only insofar as such statements relate to the Producer's gross. The Federation or the Administrator of the Secondary Markets 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 report 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 reporting period during which no Producer's gross from the motion picture is received by the Producer.

(8) A Payroll Company that is a party signatory to this Agreement may grant the use of its signatory status on a picture-by-picture basis to any Producer not a party signatory, provided that no session shall be allowed unless an executed Assumption Agreement in the following form has been provided to the Local Union in advance of the session. The leader/contractor shall be responsible for achieving compliance with this requirement.*

*The parties shall utilize best efforts to ensure that the leader/contractor complies with this requirement. Failure of the leader/contractor to do so or problems arising in connection therewith shall be referred to the Cooperative Committee for resolution.

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“The undersigned _____, herein for
(insert name of Payroll Company)
convenience referred to as the ‘Payroll Company,’ hereby agrees with
_____ that picture photoplays
(insert name of non-signatory producer)

covered by this Agreement are subject to the AFM Basic Theatrical Motion Picture Agreement of 2002 and particularly to the provisions of Article 15 thereof relating to payment to the Film Musicians Secondary Markets Fund (hereinafter the "Secondary Markets Fund") on release of a theatrical motion picture photoplay to free television; and said Producer hereby agrees to abide by and perform the provisions of said Basic Agreement. Said Producer also hereby agrees, expressly for the benefit of the Secondary Markets Fund, to make the payments required by Article 15. It is expressly understood and agreed that the rights of any such Producer to exhibit or license the exhibition of such photoplays on free television shall be subject to and conditioned upon the payment to the Secondary Markets Fund as provided in Article 15 of said Basic Agreement and it is further agreed that the Secondary Markets Fund shall be entitled to seek injunctive relief and damages against Producer in the event any such payments are not made.

“The undersigned Producer agrees to keep or have access to complete books and records showing the income derived from the sale, lease, license or distribution of such motion pictures on free television within the entire territory for which Producer is granted such rights and the Federation and the Administrator of the Secondary Markets Fund shall have the right at all reasonable times to examine and inspect such books and records. The undersigned shall give the Federation prompt written notice of the date on which each photoplay covered hereby is first telecast in free television. An inadvertent failure to comply with said notice requirements shall not constitute a default by the undersigned Producer provided that such failure is cured promptly after notice thereof from the Federation.”

Upon delivery of such Assumption Agreement, the Payroll Company shall not be further liable to the Federation for the keeping of any such records related to or for the payment(s) required based on the exhibition of the motion picture on free television and the Secondary Markets Fund agrees to look exclusively to the Producer who is the party to the Assumption Agreement for the keeping of such books and records, payments and compliance with credit obligations.

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(9) 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 shall obtain from the buyer, licensee or distributor a separate agreement, made expressly for the benefit of the Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, requiring such buyer, licensee or distributor to comply with the provisions of this Article 15. Such Agreement shall be in the following form:

"The undersigned, _____,
(insert name of buyer, licensee or distributor)

herein for convenience referred to as the "Buyer," hereby agrees with
_____ that picture photoplays covered
(insert name of Producer)

by this Agreement are subject to the AFM Basic Theatrical Agreement of 2002 with respect to the provisions of Article 15 thereof relating to payments to the Employers' Pension Fund [Film Musicians Secondary Markets Fund] on release of a theatrical motion picture photoplay to free television; and the said Buyer hereby agrees, expressly for the benefit of American Federation of Musicians' and Employers' Pension Fund (herein referred to as the 'Employers' Pension Fund') or Film Musicians Secondary Markets Fund (herein referred to as the 'Secondary Markets Fund'), to make said payments required thereby. It is expressly understood and agreed that the rights of Buyer to exhibit or license the exhibition of such photoplays on free television shall be subject to and conditioned upon the payment to the Employers' Pension Fund [Secondary Markets Fund] as provided in Article 15 of said Basic Agreement, and it is agreed that said Employers' Pension Fund [Secondary Markets Fund] shall be entitled to seek injunctive relief and damages against Buyer in the event such payments are not made.

"Buyer shall be liable to make the payments described above but only based upon rights actually acquired by Buyer and only for the period it holds such rights.

"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 Federation and/or the Secondary Markets Fund Administrator shall have the right at all reasonable times to inspect such records. The undersigned shall

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give the Federation prompt written notice of the date on which each photoplay 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 Federation.

“Buyer further agrees that in the event of a sale, transfer, license or assignment of the free television distribution rights and/or the Supplemental Markets distribution rights to the above-referenced motion picture, Buyer shall obtain from the purchaser, transferee, licensee or assignee an Assumption Agreement covering the rights disposed of in the form set forth herein and shall provide an executed copy of such Assumption Agreement to the Federation. Upon delivery of such Assumption Agreement, Buyer shall not be further liable to the Federation or the Secondary Markets Fund for the keeping of any records related to or the payments required based upon the rights covered under the Assumption Agreement for the exhibition of the motion picture on free television and/or in Supplemental Markets and both the Federation and the Secondary Markets Fund agree to look exclusively to the purchaser, transferee, licensee or assignee executing such Assumption Agreement for the keeping of such books or records and for making the payments attributable to the rights acquired. In the event Buyer fails to deliver such Assumption Agreement, it shall continue to be liable for the keeping of records and for the payments required for the exhibition of the motion picture on free television and/or in Supplemental Markets.”

It is understood that additional provisions may be included in form Assumption Agreements, so long as such additional provision(s) do not vary or alter the terms of the foregoing Assumption Agreement.

Producer agrees to give notice to the Federation 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 Federation 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 (9) 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 Federation.

Upon delivery of such assumption agreement, Producer, or any subsequent owner obtaining the execution of such an assumption

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agreement shall not be further liable to the Federation for the keeping of any such records or the payment required hereunder insofar as they relate to the broadcast of the photoplay on free television, and the Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, 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.

(10) 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 photoplay a provision, made expressly for the benefit of the Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, to the effect that the chattel mortgagee, pledgee or 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 photoplay and subsequently exhibits the photoplay 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 Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, thereafter becoming due and payable hereunder; provided, however, that nothing herein contained shall prevent such mortgagee, pledgee or lien or security holder who has acquired title to the photoplay from thereafter making a sale of the photoplay 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 Employers' Pension Fund, or the Secondary Markets Funds, as the case may be, 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 15 with respect to payments to the Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, 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

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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 Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, under subsection (i) above; it being understood that the Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, shall be entitled to such payments but once.

The foregoing provisions of this subparagraph (10) shall not apply to any photoplay subject to any security instrument in existence on the effective date of this Agreement.

(11) 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 Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, 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 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 Federation of any and all such independent contracts entered into by the Producer.

(12) Any payments made by Producer to the Administrator of the Secondary Markets Fund under the provisions of this Article 15 shall be, (subject to Paragraph 2(c) of the Secondary Markets Fund Agreement), to provide for and be payment for said Producer's contribution to the musicians' share of the Secondary Markets Fund (as defined hereinafter) and any employment taxes or

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insurance premiums which may be owing by said Producer with respect to the distribution of the musicians' share of the Secondary Markets Fund.

(13) The musicians' share of the Secondary Markets Fund ("musicians' share of the Fund") shall be an amount equal to the sum of the contribution of the Producer, any investment earnings of the Secondary Markets Fund, and any "unclaimed amounts" as defined in Paragraph 2(g) of the Secondary Markets Fund Agreement, less:

(a) All expenses reasonably incurred in the administration of the Secondary Markets Fund, including the compensation of the Administrator herein provided, and appropriate bonding premiums;

(b) Amounts reasonably reserved by the Administrator as an operating Fund, and for contingencies, and for omission claims; and

(c) An amount (hereinafter referred to as the "Producer's share of the Fund") equal to the total of any social security tax, federal and/or state unemployment insurance tax, other employment taxes, disability insurance premiums, and/or worker's compensation premiums, which may be owing by the Producer, individually or collectively and/or by the Administrator, as employer or employers, with respect to the distribution of the musicians' share of the Secondary Markets Fund.

A committee shall be established to discuss the type of information to be submitted to the Secondary Markets Fund to ensure proper allocation and distribution to participating musicians.

(14) The parties have agreed that, in order to assist the Administrator of the Secondary Markets Fund with the information necessary to determine the correct *pro rata* share under Article 15(b)(i)(5), the Producer will send a copy of B forms or OMR reports that reflect the total compensation paid to each participating musician employed on each covered motion picture to: (i) the applicable local union when the scoring is done within the jurisdiction of the AFM Locals in Los Angeles, New York, Nashville, Vancouver or Toronto (and the local union will, in turn, provide the reports to the Fund); or (ii) in all other cases, to the Secondary Markets Fund. Such reports shall be provided within a reasonable time period following the scoring session.

16. SUPPLEMENTAL MARKETS

(a) The provisions of this Article 16 relate and apply only to theatrical motion pictures produced by Producer during the term hereof and subject to this Agreement:

(i) The principal photography of which commenced on or after July 1, 1971, which motion pictures are, either during the term hereof or at any time thereafter, released in supplemental markets (as defined below); and

(ii) In which there is music sound track containing recorded music made by participating musicians (as such term is hereinafter defined) or scenes or shots containing pictures of participating musicians performing on musical instruments or conducting.

(iii) Definition

The term "Supplemental Markets," as used in this Agreement, means only: The exhibition of theatrical motion pictures by means of cassettes, (to the limited extent provided in subparagraph (1) of this subparagraph (iii)), or Pay Television, as those terms are hereafter defined in subparagraph (2).

(1) Cassettes:

For the purposes of this Article 16, 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 theatrical motion picture (recorded on film, disc, tapes or other material) and designed for replay on a home-type television screen. 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" for the purposes of this provision insofar as cassettes are concerned.

(2) Pay Television:

The term "pay television," as used in this Article, shall mean exhibition of theatrical motion pictures on a television screen by means of telecast, cable, closed-circuit, satellite to home or CATV, where substantially all systems to which the program is licensed meet the following tests:

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(A) a separate channel is provided for which the subscriber pays a separate fee (which fee is a major 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 major 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 theatrical motion pictures through a television receiver or comparable device by means of a 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 theatres 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 theatrical 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 Market" for cassettes.

Whenever reference is made in this Article 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

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viewed, or when 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 theatrical motion pictures by the CATV facility, including programming originated by the CATV facility, 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 theatrical 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 theatrical motion pictures, and that therefore no additional payment pursuant to this Article 16 should be made with respect to the release of theatrical motion pictures (including those covered by this Agreement) in said markets. Nothing herein shall limit the scope of negotiations on said subject.

(b) As to each such theatrical motion picture, the Producer will pay:

(i) To the Administrator of the Film Musicians Secondary Markets Fund, pursuant to the terms of this Article 16 and the Film Musicians Secondary Markets Fund Agreement attached hereto and made a part hereof as Exhibit "A," one percent (1%) (hereinafter referred to as the "percentage payment") of the "Producer's gross" derived from the distribution of such motion picture in Supplemental Markets, computed as hereinafter provided and subject to the following conditions:

(1) Producer's Gross

(A) (i) For purposes of calculating Supplemental Market fees due under this Article 16 arising from the distribution of theatrical motion pictures to "pay television," as defined above, the term "Producer's gross" shall mean the worldwide total gross receipts derived by the distributor of such motion picture (who may be the Producer or a distributor licensed by the Producer) from licensing the right to exhibit such picture on "pay television," as defined above, 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."

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If the distributor of such picture does not distribute such picture directly to pay television, but employs a subdistributor to so distribute such picture, then the "Producer's gross" shall be the worldwide total gross receipts derived by such subdistributor from licensing the right to exhibit such picture on pay television. In case of an outright sale of the pay 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 pay television exhibition rights and other rights, then (but only for the purpose of the computation required hereunder) the Producer shall allocate to the pay 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 this determination, Producer may consider the current market value of pay television exhibition rights in comparable motion pictures.

(ii) For purposes of calculating Supplemental Markets fees due under this Article 16 arising from the distribution of theatrical motion pictures on "cassettes," as defined above, the term "Producer's gross" is defined as follows:

(1) 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 picture 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.

(2) 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 picture by cassette.

(B) 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;

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(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 to Producer 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 such 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.

(C) 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.

(D) Allocation of Producer's Gross

If any agreement for distribution in the Supplemental Market includes more than one theatrical 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

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the Federation contends that such allocation is not reasonable, then such claim shall be submitted to arbitration.

(2) 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 Federation, the Employers' Pension Fund or the Secondary Markets Fund, as the case may be, and the musicians 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.

A "non-returnable advance" is to be included in "Producer's gross" when the picture is "available" and "identifiable" and the amount of the advance payment is "ascertainable."

The picture is "available" when the first of the following occurs:

(A) The product first may be exhibited or otherwise exploited by a specified method of distribution and in a territory under the terms of the applicable license or distribution agreement, or

(B) It first may be sold or rented by a retailer under the terms of the applicable license or distribution agreement.

The picture is "identifiable" when the Producer first knows or reasonably should have known that a given motion picture is covered by a particular license or distribution agreement for its exploitation in the applicable market.

The amount of the advance payment is "ascertainable" if:

(A) the advance is for one motion picture, means of exhibition, and territory, or

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(B) the total amount of the advance is for more than one motion picture, means of exhibition and/or territory, in which case the Producer shall fairly and reasonably allocate such advance among the licensed motion pictures, exhibition markets and/or territorial markets. As each of these pictures becomes identifiable and available, the allocated portion of the non-returnable advance is to be included in "Producer's gross" for that quarter. The Producer shall notify the Secondary Markets Fund of its allocation when the report of "Producer's gross," which includes the advance, is filed.

If the picture is available in any territory or by any means of exhibition and is identifiable and the amount of the advance is ascertainable, but the Producer does not provide the Secondary Markets Fund with the information required by this Agreement and applicable law, then the advance shall be deemed includable in "Producer's gross" no later than six (6) months after the Producer receives it.

An advance received by a Producer's parent, subsidiary or any other related or affiliated entity or successor-in-interest, or by any other entity to which the advance payment is directed by the Producer or license or distribution agreement, shall be considered as an advance payment received by the Producer.

(3) 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.

(4) The term "participating musician," as used herein, means a musician who, while in the employ of the Producer (to which employment the provisions of this Agreement apply), participated in the preparation for or the recording of the music sound track for such motion picture or who was photographed in such motion picture as performing on musical instruments or conducting. If payments hereunder are made to the Employers' Pension Fund, the "pro rata share" credited to each participating musician shall be that proportion of the percentage payment that the total compensation theretofore paid to such musician for his/her said services in the motion picture in an employment capacity bears to the aggregate total compensation theretofore paid to all participating musicians for their services in recording or being photographed in the motion picture in an employment capacity. If payments hereunder are made to the Secondary Markets Fund, there shall be payable

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to each participating musician that portion of the part of the musicians' share of the Secondary Markets Fund which is allocable to such motion picture that the total compensation theretofore paid to such musician for his/her said services in the motion picture in an employment capacity bears to the aggregate total compensation theretofore paid to all participating musicians for their services in recording or being photographed in the motion picture in an employment capacity. The term "total compensation," as used herein, means all monies paid to a participating musician for his/her said services, or his/her heirs, executors, administrators or assigns, as of a time immediately preceding the close of the annual period covered by the Producer's annual statement involved. The cost of transportation or living expenses paid to or on behalf of musicians shall not be included in "total compensation."

(5) When "participating musicians" have been utilized in creating the music sound track for a motion picture which is scored partially in the United States or Canada and partially outside of the United States and Canada, the percentage payment into the Secondary Markets Fund shall be as follows: the payment shall be prorated by multiplying such percentage payment by a fraction whose numerator consists of the total salaries paid to the musicians employed under the terms of this Agreement and the denominator of which consists of the total salaries paid to all musicians employed in connection with the scoring of such motion picture. The foregoing proration formula shall be subject to the following exceptions: (1) in any instance in which the total salaries paid to musicians employed under this Agreement are less than thirty percent (30%) of the total salaries paid to all musicians employed in connection with the scoring of the motion picture, the Producer shall nevertheless be required to pay thirty percent (30%) of the percentage payment due; and (2) in any instance in which the total salaries paid to musicians employed under this Agreement total seventy-five percent (75%) or more of the total salaries paid to all musicians employed in connection with the scoring of the motion picture, then the Producer shall be required to make a contribution to the Secondary Markets Fund equal to what the contribution would have been if one hundred percent (100%) of the scoring had taken place in the United States or Canada. The Producer shall provide to the auditors the information necessary to determine the correct *pro rata* payment.* The Producer will identify a motion picture as subject to this subparagraph (5) at the time of the first payment to the Fund for that motion picture.

(6) Such payments made hereunder to the Employers' Pension Fund are not and shall not in any manner be construed to be

* The foregoing provisions of this subparagraph (5) are without prejudice to the respective positions of the parties as to the meaning of Article 3 ("Scoring in the United States and Canada") of this Agreement.

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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) The Administrator of the Secondary Markets Fund shall make all deductions and withholdings required by law and shall timely make all such reports and payments to governmental agencies as may be required by law.

(8) Producer will furnish to the Federation and the Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, 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 the supplemental markets. If payments hereunder are to the Employers' Pension Fund, such reports shall be furnished annually for each fiscal year of the Producer. If payments hereunder are to the Secondary Markets Fund, then such reports shall be furnished on a quarterly basis for each calendar year. 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 Employers' Pension Fund, or to the Secondary Markets Fund, as the case may be. Each such report shall designate, when known, the title, the production number (if available) and, when applicable, the episode number of the motion picture involved, the name of the production entity (if available), the distributor's name, the distributor's disbursing agent (if applicable), the period covered by the payment and, if receipts from release of the picture to free television are included, a breakdown of gross receipts attributable to Supplemental Markets and those attributable to free television release. On request, the Producer shall make available to the Federation or the Administrator of the Secondary Markets Fund all accounting statements delivered by a distributor to the Producer, but only insofar as such statements relate to the Producer's gross. The Federation or the Administrator of the Secondary Markets 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 report 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 reporting period during which no Producer's gross from the motion picture is received by the Producer.

(9) A Payroll Company that is a party signatory to this Agreement may grant the use of its signatory status on a picture-by-picture basis to any Producer not a party signatory provided that no session shall be allowed unless an executed Assumption Agreement in the following form has been provided to the

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Local Union in advance of the session. The leader/contractor shall be responsible for achieving compliance with this requirement.*

“The undersigned _____,
(insert name of Payroll Company)

herein for convenience referred to as the ‘Payroll Company,’
hereby agrees with _____

(insert name of non-signatory producer)

that picture photoplays covered by this Agreement are subject to the AFM Basic Theatrical Motion Picture Agreement of 2002 and particularly to the provisions of Article 16 thereof relating to payment to the Film Musicians Secondary Markets Fund (hereinafter the "Secondary Markets Fund") on release of a theatrical motion picture photoplay in Supplemental Markets; and said Producer hereby agrees to abide by and perform the provisions of said Basic Agreement. Said Producer also hereby agrees, expressly for the benefit of the Secondary Markets Fund, to make the payments required by Article 16. It is expressly understood and agreed that the rights of any such Producer to exhibit or license the exhibition of such photoplays in Supplemental Markets shall be subject to and conditioned upon the payment to the Secondary Markets Fund as provided in Article 16 of said Basic Agreement and it is further agreed that the Secondary Markets Fund shall be entitled to seek injunctive relief and damages against Producer in the event any such payments are not made.

“The undersigned Producer agrees to keep or have access to complete books and records showing the income derived from the sale, lease, license or distribution of such motion pictures in Supplemental Markets within the entire territory for which Producer is granted such rights and the Federation and the Administrator of the Secondary Markets Fund shall have the right at all reasonable times to examine and inspect such books and records. The undersigned shall give the Federation prompt written notice of the date on which each photoplay covered hereby is first telecast in Supplemental Markets. An inadvertent failure to comply with said notice requirements shall not constitute a default by the undersigned Producer provided that such default is cured promptly after notice thereof from the Federation.”

* The parties shall utilize best efforts to ensure that the leader/contractor complies with this requirement. Failure of the leader/contractor to do so or problems arising in connection therewith shall be referred to the Cooperative Committee for resolution.

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Upon delivery of such Assumption Agreement, the Payroll Company shall not be further liable to the Federation for the keeping of any such records or the payment(s) required based on the exhibition of the motion picture in Supplemental Markets and the Secondary Markets Fund agrees to look exclusively to the Producer who is the party to the Assumption Agreement for the keeping of such books and records, payments and compliance with credit obligations.

(10) If the Producer shall sell, assign, transfer or otherwise dispose of the distribution rights to such motion picture in Supplemental Markets, or shall license the distribution rights to the motion picture in Supplemental Markets, Producer shall obtain from the buyer, licensee or distributor a separate agreement, made expressly for the benefit of the Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, requiring such buyer, licensee or distributor to comply with the provisions of this Article 16. Such agreement shall be in the following form:

"The undersigned, _____
(insert name of buyer, licensee or distributor)

(herein for convenience referred to as "Buyer") hereby agrees with _____ that all theatrical
(insert name of Producer)

motion picture photoplays covered by this Agreement are subject to the AFM Basic Theatrical Agreement of 2002 with respect to the provisions of Article 16 thereof relating to payments to the Employers' Pension Fund [Film Musicians Secondary Markets Fund] on release of a theatrical motion picture photoplay in Supplemental Markets; and the said Buyer hereby agrees, expressly for the benefit of American Federation of Musicians' and Employers' Pension Fund (herein referred to as the "Employers' Pension Fund") or the Film Musicians Secondary Markets Fund (herein referred to as the "Secondary Markets Fund"), to make said payments required thereby. It is expressly understood and agreed that the rights of Buyer to exhibit or license the exhibition of such photoplays in the Supplemental Markets shall be subject to and conditioned upon the payment to the Employers' Pension Fund [Secondary Markets Fund] as provided in Article 16 of said Basic Agreement, and it is agreed that said Employers' Pension Fund [Secondary Markets Fund] shall be entitled to injunctive relief and damages against Buyer in the event such payments are not made.

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“Buyer shall be liable to make the payments described above but only based upon rights actually acquired by Buyer and only for the period it holds such rights.

“The undersigned agrees to keep or have access to complete records showing the income derived from the distribution of such motion pictures in Supplemental Markets within the entire territory for which Buyer is granted such rights and the Federation and/or the Secondary Markets Fund Administrator shall have the right at all reasonable times to inspect such records. The undersigned shall give the Federation prompt written notice of the date on which each photoplay covered hereby is first telecast in 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 Federation.

“Buyer further agrees that in the event of a sale, transfer, license or assignment of the Supplemental Markets distribution rights to the above-referenced motion picture, Buyer shall obtain from the purchaser, transferee, licensee or assignee an Assumption Agreement covering the rights disposed of in the form set forth herein and shall provide an executed copy of such Assumption Agreement to the Federation. Upon delivery of such Assumption Agreement, Buyer shall not be further liable to the Federation or the Secondary Markets Fund for the keeping of any such records related to or the payments required based upon the rights covered under the Assumption Agreement for the exhibition of the motion picture in Supplemental Markets and both the Federation and the Secondary Markets Fund agree to look exclusively to the purchaser, transferee, licensee or assignee executing such Assumption Agreement for the keeping of such books or records and for making the payments attributable to the rights acquired. In the event Buyer fails to deliver such Assumption Agreement, it shall continue to be liable for the keeping of records and for the payments required for the exhibition of the motion picture in Supplemental Markets.”

It is understood that additional provisions may be included in form Assumption Agreements, so long as such additional provision(s) do not vary or alter the terms of the foregoing Assumption Agreement.

Producer agrees to give notice to the Federation 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,

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assignee or distributor, and to deliver to the Federation 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 (10) 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 Federation.

Upon delivery of such Assumption Agreement, Producer, or any subsequent owner obtaining the execution of such assumption agreement, shall not be further liable to the Federation 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 Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, agrees to look exclusively to the party last executing such an assumption agreement for the keeping of such records, payments and compliance with credit obligations.

(11) 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 Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, to the effect that the chattel mortgagee, pledgee or 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 16 with respect to payments to the Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, thereafter becoming due and payable thereunder; provided, however, that nothing herein contained shall prevent such mortgagee, pledgee or 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 Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, 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 16 with respect to payments to the Employers' Pension

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Fund, or the Secondary Markets Fund, as the case may be, 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 of 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 16 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 Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, under subsection (i) above, it being understood that the Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, shall be entitled to such payments but once.

The foregoing provisions of this subparagraph (11) shall not apply to any photoplay subject to any security instrument in existence on the effective date of this agreement.

(12) 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 Employers' Pension Fund, or the Secondary Markets Fund, as the case may be, 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 16 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 Supplemental Markets, the Producer shall be liable and responsible for the payments, if any, required to be made under the provisions of this Article 16 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 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

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the provisions of this Article 16. The Producer will notify the Federation of any and all such independent contracts entered into by the Producer.

(13) Any payments made by Producer to the Administrator of the Secondary Markets Fund under the provisions of this Article 16 shall be subject to Paragraph 2(c) (of the Secondary Markets Fund Agreement) to provide for and be payment for said Producer's contribution to the musicians' share of the Secondary Markets Fund (as defined hereinafter) and any employment taxes or insurance premiums which may be owing by said Producer with respect to the distribution of the musicians' share of the Secondary Markets Fund.

(14) The musicians' share of the Secondary Markets Fund ("musicians' share of the Fund") shall be an amount equal to the sum of the contribution of the Producers, any investment earnings of the Secondary Markets Fund, and any "unclaimed amounts," as defined in Paragraph 2(g) of the Secondary Markets Fund Agreement, less:

(a) all expenses reasonably incurred in the administration of the Secondary Markets Fund, including the compensation of the Administrator herein provided, and appropriate bonding premiums;

(b) amounts reasonably reserved by the Administrator as an operating Fund, and for contingencies, and for omission claims; and

(c) an amount (hereinafter referred to as the "Producer's share of the Fund") equal to the total of any social security tax, federal and/or state unemployment insurance tax, other employment taxes, disability insurance premiums, and/or worker's compensation premiums, which may be owing by the Producer, individually or collectively and/or by the Administrator, as employer or employers, with respect to the distribution of the musicians' share of the Secondary Markets Fund.

A committee shall be established to discuss the type of information to be submitted to the Film Musicians Secondary Markets Fund to ensure proper allocation and distribution to participating musicians.

(15) The parties have agreed that, in order to assist the Administrator of the Secondary Markets Fund with the information necessary to determine the correct *pro rata* share under Article 16(b)(i)(5) of this Agreement, the Producer will send a copy of B forms or OMR reports that reflect the total compensation paid to each participating musician employed on each covered

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motion picture to: (i) the applicable local union when the scoring is done within the jurisdiction of the AFM Locals in Los Angeles, New York, Nashville, Vancouver or Toronto (and the local union will, in turn, provide the reports to the Fund); or (ii) in all other cases, to the Secondary Markets Fund. Such reports shall be provided within a reasonable time period following the scoring session.

(16) Producer agrees that prior to the employment of any musician in a motion picture intended primarily for exhibition on "basic cable" (as that term is used and understood in the motion picture industry), Producer will give at least sixty (60) days advance notice to the Federation of such proposed employment. Producer and the Federation agree to meet within thirty (30) days from receipt of such notice for the purpose of negotiating with respect to the terms and conditions for such employment. If no agreement is reached with respect thereto within such sixty (60) day period, the Federation may, upon a thirty (30) day written notice to Producer, instruct its members to withhold services with respect to the production of such motion picture.

(17) The parties agree to meet and negotiate in good faith to establish terms and conditions of employment for musicians hired to work on programs made primarily for the home video markets. Pending completion and ratification of the home video market negotiations, Producer may hire musicians to work on any program made primarily for the home video markets (including variety programs) utilizing the terms contained in the AFM Basic Television Film Agreement. If an agreement is reached, wages agreed upon shall be retroactive to the commencement of this agreement. With respect to production of variety programs, the so-called "needle drop" provisions in the then-current Television Videotape Agreement shall be incorporated herein.

(18) If a program that is made primarily for the home video market, other than a variety show, is subsequently exhibited on free television, Producer agrees to make additional payments pursuant to Article 15 of the Theatrical Motion Picture Agreement.

(19) If a program that is made primarily for the home video market is subsequently exhibited in the theatrical or foreign markets, Producer agrees to make such additional payments as provided in Paragraph 15(b)(17) of the Television Film Agreement.

(20) If a variety show program that is made primarily for the home video market is subsequently exhibited on free television or in foreign markets, Producer agrees to make additional payments as provided in Section 8,

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“Reuse,” and/or Section 9, “Foreign Use,” of the Television Videotape Agreement, as the case may be.

17. TERM OF AGREEMENT

This Agreement is the sole collective bargaining agreement covering the terms and conditions for the employment of musicians by the Producer in theatrical motion pictures. This Agreement shall be effective commencing as of February 16, 2002, and shall remain in effect up to and including February 15, 2005.

18. NON-DISCRIMINATION

The parties mutually reaffirm their policy of non-discrimination. The Producer reaffirms its policy that no employee shall be discriminated against in employment hereunder because of race, color, creed, sex, age or national origin, provided the employee is qualified and has the physical ability to perform the work required hereunder by the Producer. The Federation reaffirms its policy of non-discrimination with respect to admission to membership and rights of membership. Producer shall periodically advise all leaders, contractors and supervisory personnel of the contents of this Article to insure full compliance therewith.

19. JOINT INDUSTRY-FEDERATION COOPERATIVE COMMITTEE

The parties shall establish a Joint Cooperative Committee consisting of an equal number of representatives. The Committee shall meet regularly on an annual basis or more frequently upon the request of either party.

The Committee shall address and endeavor to resolve any item of mutual concern on an industry-wide or individual Producer basis including, but not limited to:

- (a) Treatment of new technologies (*e.g.*, product downloaded from the Internet);
- (b) Exchange/banking of motion pictures;
- (c) Limits on excerpt use in lieu of underscore;

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- (d) Status of revised phono new use provisions;
- (e) Overdubs and doubling in guaranteed longer calls;
- (f) Waiver problems, if any;
- (g) Music prep; and
- (h) Runaway production.

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**WAGE SCALES, HOURS OF EMPLOYMENT AND WORKING
CONDITIONS FOR THEATRICAL MOTION PICTURES OTHER THAN
THOSE COVERED BY SECTION VIII, "LOW BUDGET FILMS"**

I. GENERAL CONDITIONS

The following shall apply to all classifications:

1. STAND-BY CALLS

There shall be no stand-by calls.

2. SATURDAYS, SUNDAYS AND HOLIDAYS

Saturdays and Sundays, as such, shall be treated as regular workdays, not premium days, unless they are the employee's sixth or seventh day of work in a workweek for the Producer. The employee shall be paid at one and one-half (1½) times the regular rate of pay for such sixth or seventh day worked. The sixth day worked in a musician's workweek on distant location is included in the weekly guarantee.

Double time scale shall prevail for work on the following legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, and such pay rates shall be applicable to any salary guarantee. These holidays shall be observed on the same dates as such respective holidays are observed under the U.S. federal legislation for public holidays.

The foregoing shall also apply if a musician is employed at the page rates, and is specifically instructed and required by Producer to perform such work on a sixth or seventh day worked in such musician's workweek or on any of the above-mentioned holidays, under the direction and control of the Producer. Such pay rates shall be applicable to any salary guarantee.

With respect to work performed hereunder which occurs in Canada, the following shall be deemed to be legal holidays for the above purposes: New Year's Day, Good Friday, Easter Monday, Victoria Day, Dominion Day, Labor Day, Thanksgiving Day and Christmas Day.

3. PENSION FUND

(a) Contributions shall be made to the Trustees of the American Federation of Musicians and Employers' Pension Welfare Fund, created pursuant to the trust indenture dated October 2, 1959 (herein referred to as the "Employers' Pension Fund") in a sum equal to ten percent (10%) of all wages earned under this Agreement, computed at scale. Checks shall be made payable to the order of the "American Federation of Musicians and Employers' Pension Fund," and sent to P.O. Box 19155, Newark, NJ 07195-0155 (or to the local union to be forwarded to the Pension Fund, if the local union and Producer have so agreed). In lieu of making contributions to the Employers' Pension Fund as provided above, such contributions with respect to musicians hired hereunder in Canada based on wages earned under this Agreement for services performed in Canada shall be made to the Trustees of the American Federation of Musicians and Employers' Pension and Welfare Fund (Canada), created pursuant to Agreement and Declaration of Trust dated April 9, 1962, at 2255 Sheppard Avenue East, Suite A-110, North York, Ontario, Canada M2J 4Y1.

The Producer agrees to be legally bound by the Agreement and Declaration of Trust establishing the American Federation of Musicians and Employers' Pension Fund, as it may be amended from time to time, which is incorporated by reference into this Agreement.

(b) Said trust indenture provides for pensions for persons on the basis of whose services contributions are made to such Fund and provides for administration by an equal number of employer and employee representatives with provisions for the appointment of an impartial umpire, and provides further for a pension plan, which plan and trust have been qualified under the Federal Internal Revenue Code and which shall comply with all applicable laws.

(c) Producer will submit a weekly contribution report to either the appropriate Local(s) representing working musicians, or such other place designated by the Trustees, together with appropriate contribution checks made payable to the order of the American Federation of Musicians and Employers' Pension Fund, in accordance with the provisions of subparagraph (a) above. The trustees may agree with contributors upon periodic reports and payments other than on a weekly basis, if they so desire. Nothing herein shall be construed to limit the Producer's right to make necessary corrections or adjustments in subsequent contribution reports.

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(d) The Employer shall submit such reports in such form as the Trustees may reasonably require and the Employer's records shall be subject to such reasonable audit by the Trustees as the Trustees may require.

During the course of bargaining, the Federation expressed concerns that the contribution report forms presently being utilized by signatory Producers may not contain all of the relevant information necessary to enable proper identification and/or effective auditing of Pension Fund contributions. After considering these concerns, the parties jointly recommend to the Trustees of the American Federation of Musicians' and Employers' Pension Fund that appropriate steps be taken to assure that contributing Employers provide the Pension Fund with sufficient information for the proper administration of the Fund.

(e) The Federation and said Trustees, or either of them, may enforce the provisions contained in this clause.

4. HEALTH PLAN

The parties hereto are parties to and bound by the provisions of the "Agreement and Declaration of Trust Establishing the I.A.T.S.E.-Basic Crafts-Guilds-Hollywood Producers-Health and Welfare Fund for the Employees of the Motion Picture and Allied Industries," dated as of October 20, 1952 (hereinafter referred to as the "Health Plan"), with respect to the musicians' classifications of this agreement.

In accordance with Article V, Sections 1 and 2 of such Health Plan, the rate of contribution to the Health Plan by Producer for each such employee employed by it hereunder shall be as follows:

During the term of this Agreement, Producer shall pay into the Plan one dollar, five and eight-tenths cents (\$1.058) until August 3, 2003 (one dollar, twenty-five and eight-tenths cents (\$1.258) effective August 3, 2003) for each hour guaranteed a musician by Producer or each hour worked by a musician for Producer on or after February 16, 2002 under the terms of this Agreement, including "straight time" and "overtime" hours on any day worked. Should subsequent increases be negotiated by the I.A.T.S.E. during the term of this Agreement, the same will apply. Minimum calls shall constitute time worked. Weekly schedules shall be considered as a minimum of forty-three and two-tenths (43.2) hours for a full workweek. With respect only to recording and rehearsal musicians employed for less than twelve (12) hours on a daily basis, whether for a single or double

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session, the contributions to the Fund shall be based on minimum credit of twelve (12) hours for any such day at the rate of one dollar, five and eight-tenths cents (\$1.058) until August 3, 2003 (one dollar, twenty-five and eight-tenths cents (\$1.258) effective August 3, 2003).

Contributions for musicians employed by Producer at a page rate shall be computed on the basis of one and one-half hours for each \$18.55 effective February 17, 2002 (\$19.01 effective February 16, 2003; and \$19.68 effective February 15, 2004) earned with Producer at a page rate as a copyist; for each \$29.66 effective February 17, 2002 (\$30.40 effective February 16, 2003; and \$31.46 effective February 15, 2004) earned with Producer at a page rate as an orchestrator or arranger.

For a dental plan, the Producer shall pay into the Health Plan an additional eighteen and seven-tenths cents (18.7¢) per hour contribution.

For a vision care plan, the Producer shall pay into the Health Plan a five cents (5¢) per hour contribution.

The above contributions are in accordance with the present pattern of contributions by Employers required under the Health Plan. In the event this present pattern of contributions under the Health Plan should be changed during the term of this Agreement, then the rate of contributions as provided herein shall automatically be changed to conform to such new pattern and rate of Employer's contribution established under such Health Plan.

The parties recognize that a problem exists in the present formula for determining the basis of credited hours for Health Plan contributions for recording musicians, production musicians and musicians employed on a page rate. Therefore, the parties agree to immediately undertake a joint study to evaluate the problems and to recommend changes in the method of determining credited hours which will not result in any increase in the total hours for all musicians. If, during the term of this Agreement, the parties agree upon a change in the current method of contributions, this Agreement shall be amended to reflect such changes.

With respect to the employment of musicians outside of Los Angeles County, California for which such payments into such Health Plan are not permissible under the provisions of such Health Plan, Producer, in lieu thereof, will pay to the applicable local health plan, if any, and if permissible under an acceptable Letter of Adherence satisfactory to the Producer, the normal contribution for the appropriate category provided for under such local health plan

but not to exceed the amount of contribution payable into the Health Plan as above provided.

If the musician is not a participant in any Health Plan of any AFM Local Union, the Producer shall pay the above-described contributions directly to the musician, irrespective of the location outside Los Angeles County in which the services were provided.

5. PAY-OFF REQUIREMENTS

(a) Each and every payment to be made pursuant to this agreement shall be made through such agency or agencies of the Federation as may be designated from time to time by the Federation

(b) Each such payment shall become due and payable within fifteen (15) days (excluding intervening Saturdays, Sundays, and Holidays) following a session.

6. OVERSCALE EMPLOYEES

The Producer and the musician may, by individual negotiations at the time of his/her employment, agree that the portion of a musician's salary which is in excess of the minimum salary rate for such musician, may be applied to any of the minimum payments, premiums, allowances, doubling, penalties, overtime or any other minimum requirements of this Agreement.

7. SUBCONTRACTING

In the event Producer subcontracts out any work that would otherwise be subject to this Agreement, Producer shall have the option either: (i) to obtain from the subcontractor an agreement to comply with the minimum compensation provisions in this Agreement, and cause such subcontractor to comply with such provisions; or (ii) in the alternative, Producer shall make such payments.

8. VACATION PAY

(a) Vacation pay for musicians employed hereunder shall be computed at the rate of four percent (4%) of employee's straight time earnings, including earnings at page rates, during the employee's personal income tax reporting year. An employee can only earn a maximum of ten (10) days of vacation per year.

(b) Vacation leave of absence shall be allowed on the basis of one (1) day off for each full day of vacation pay earned. A day of pay for this purpose, for employees employed on a page rate basis shall be deemed to be \$148.55 effective

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February 17, 2002 (\$152.26 effective February 16, 2003; and \$157.59 effective February 15, 2004) for a Copyist and \$237.61 effective February 17, 2002 (\$243.55 effective February 16, 2003; and \$252.07 effective February 15, 2004) for an Orchestrator. A day of pay for a Recording Musician shall be deemed to be \$237.40 effective February 17, 2002 (\$243.34 effective February 16, 2003; and \$251.86 effective February 15, 2004).

(c) Vacations are earned in one personal income tax earnings year and are paid in the next such succeeding year.

(d) Vacations shall not be cumulative between calendar years and shall be taken at times approved by the Producer.

(e) Days that would otherwise constitute the sixth or seventh day worked in an employee's workweek and holidays occurring during vacation periods are not counted as days granted.

(f) 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.

(g) 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. (See Paragraph 8(1) below.)

(h) In the event of a layoff, an employee eligible for vacation shall not be required to take vacation at time of layoff.

(i) Each eligible employee, if he/she so desires, shall submit to his/her Department Head, prior to June 1st, three vacation dates in the order of his/her preference. In the event that none of the three preferential dates is granted, the Department Head may establish date of vacation if conditions permit. However, he/she shall give any such employee not less than one week's notice as to date of

vacation, unless, upon the request of 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.

(j) For vacations earned during the preceding year, Producer shall pay an eligible employee his/her vacation pay check not later than noon of the payday preceding the commencement day of his/her vacation, provided the employee has made a request to Producer for such vacation check at least one (1) week prior to such payday preceding the commencement of such vacation.

(k) In the event that by the terms of a personal service contract vacations earned during the term of such contract are to be taken during such term, such provision shall be in lieu of the provisions of this Paragraph 8.

(l) On or about April 1st of each year, Producer will forward to the local office of the Federation: (i) a written notice containing a list of musicians employed hereunder who have qualified for vacation pay during the preceding year, and (ii) the vacation pay checks for distribution to such qualified musicians. Producer thereupon shall be relieved of any further obligations for such earned vacation pay.

9. SEVERANCE PAY

An employee shall receive two (2) weeks of dismissal pay if not offered employment by the Producer within ninety (90) days of dismissal, provided the employee has actually received pay hereunder for four hundred sixteen (416) or more straight time hours as a Recording Musician (or two hundred (200) or more straight time days, on a daily or weekly rate basis only, in any other classification hereunder) during the full twelve (12) month period immediately prior to his/her dismissal.

If the employee has refused an offer of employment from the Producer or was not available when called for work by Producer, within the ninety (90) day period, or was dismissed for cause, or if he/she voluntarily resigns, or is laid off 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 or causes beyond the control of the Producer, whether of the same or any other nature, the employee shall not be allowed any dismissal pay.

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If the employee was not available when called for work by Producer, as above provided, then Producer, as soon as practical, shall notify the Federation that such call was placed and that the employee was not available.

The employment year will be extended by the length of any authorized "leave of absence without pay."

Within ninety (90) days immediately after an employee is qualified and entitled to dismissal pay, as above provided, such employee shall designate the date within such ninety (90) days on which such dismissal pay shall be paid to him/her.

Severance pay for Musicians hereunder employed under a personal service contract shall be subject to individual negotiations and such Musicians shall not be subject to the above severance pay provisions.

10. SESSIONS

There is no limitation or required number of Musicians that are to be employed in any session.

11. SUPERVISORY EMPLOYEES

Notwithstanding anything contained in the Constitution and By-laws of the Federation, or in the obligation taken by a person upon becoming a member of the Federation, or otherwise, which directly, indirectly or impliedly places upon an orchestra manager (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 Federation, such orchestra manager or supervisory employee shall not give or recommend any unlawful employment preference, and the Federation shall not in any manner discipline or threaten with discipline any such orchestra manager or supervisory employee for failing or refusing to give or recommend any such unlawful employment preference.

12. ELECTRONIC INSTRUMENT DEVICES

A person who, in exercising musical skills, utilizes a synthesizer or other electronic device to produce music is a musician within the meaning of this Agreement. It is recognized that complex sequencing which is required by the Producer prior to a scoring session in order to prepare for the performance

constitutes musical services rendered by the musician who performs such services utilizing musical skills.

The Joint Industry - Federation Committee established pursuant to Article 19 of this Agreement shall consider, among other subjects, the possibility of establishing terms and conditions applicable to such services.

Electronic instruments may not be used for the purpose of displacing sections of traditional musical instruments. However, electronic instruments may be used creatively for the unusual sound these instruments are capable of producing. Such instruments may also be used by a musician(s) in connection with an established performance.

13. INCOME TAX WITHHOLDING (Daily Musicians)

The withholding of taxes on a weekly basis rather than on a daily basis for musicians employed on a daily basis under IRS Regulation 31-3402(b)-(1)(d)(2) shall be utilized on the request of the Musician on the form of declaration attached hereto and marked Exhibit "B."

The obligation of the Producer to permit the election of the foregoing alternative withholding formula shall be effective only during such time as the current Employment Tax Regulations permitting such alternatives remain in effect.

A grace period of thirty (30) days from the date of execution of this Agreement shall be allowed for the implementation of these provisions.

14. LATE PAYMENT OF WAGES

(a) Wage payments shall be made in accordance with the time periods specified in the Agreement. If such payments are not made within the time periods specified and the musician or Federation gives prompt written notice of such delayed payment, the following late payment charges shall apply:

(1) If payment is made more than fifteen (15) and less than thirty-one (31) business days (excluding Saturdays, Sundays and holidays) after such written notice is received, six percent (6%) of the amount due the musician;

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(2) If payment is made more than thirty (30) and less than sixty-one (61) business days (excluding Saturdays, Sundays and holidays) after such written notice is received, ten percent (10%) of the amount due the musician;

(3) If payment is made more than sixty (60) and less than ninety-one (91) business days (excluding Saturdays, Sundays and holidays) after such written notice is received, fifty percent (50%) of the amount due the musician;

(4) Payments made after the ninetieth business day (excluding Saturdays, Sundays and holidays) after such written notice is received shall not require any late payment charge in addition to the above fifty percent (50%) late payment charge unless the Local or Federation further advises the Producer in writing of such non-payment. If payment is not thereafter made within fifteen (15) business days after Producer received such further written notice, an additional late payment charge of ten percent (10%) of the initial amount due the musician shall accrue for each additional thirty (30) day period in which payment is not made, and the first such thirty (30) day period shall commence on the date such further written notice is received.

(b) The foregoing late payment charges shall not be required when Producer's failure or delay in paying results from:

(1) The employee's failure or delay in furnishing a W-4 form; or

(2) The musician's failure to furnish appropriate documentation to enable the Producer to complete the I-9 form (provided that a musician's failure to provide such documentation shall not excuse late payment to any other musician engaged for the same session);

(3) The musician's failure to provide the Producer with the correct address to which payment should be sent. (If a payment is returned to the Producer, the Producer will contact the Local to ascertain the musician's correct address and, thereafter, the payment will be forwarded to such address);

(4) A *bona fide* emergency beyond the control of the Producer; or

(5) The existence of a *bona fide* dispute as to the amount due and payable, provided that written notice of such dispute shall have been filed with the Local of the Federation in whose jurisdiction the work was performed within five (5) business days following receipt of bills or the Form B contract. Only disputed

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portions of payments may be withheld pending resolution of dispute. If the Producer pays the undisputed amount, there will be no late payment charges.

II. MOTION PICTURE RECORDING MUSICIANS

15. MINIMUM RATES AND CONDITIONS

(a) (1) Rates (“real time” rates)

(i) Recording

Sched.	When number of musicians employed is:	SINGLE SESSION (3 hours or less per session)			DOUBLE SESSION (6 hrs. completed within 8 hours of time called, ending not later than midnight, per musician)		
		Effective			Effective		
		2/17/02	2/16/03	2/15/04	2/17/02	2/16/03	2/15/04
A	35 or more	\$237.40	\$243.34	\$251.86	\$474.80	\$486.68	\$503.72
B	30-34, inclusive	249.27	255.50	264.44	498.54	511.00	528.88
C	24-29, inclusive	261.13	267.66	277.03	522.26	535.32	554.06
D	23 or less	273.04	279.87	289.67	546.08	559.74	579.34

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(ii) Overtime per fifteen (15) minutes or fraction thereof.

SINGLE SESSION OVERTIME					
Effective	Schedule	Straight time before midnight	After midnight or beyond hold hour 150%	Work beyond hold hour between midnight and 8:00 a.m. 165%	Work beyond 8 hours between midnight and 8:00 a.m. 200%
2/17/02	A	\$19.78	\$29.67	\$32.64	\$39.56
2/16/03		20.28	30.42	33.46	40.56
2/15/04		20.99	31.49	34.63	41.98
2/17/02	B	20.77	31.16	34.27	41.54
2/16/03		21.29	31.94	35.13	42.58
2/15/04		22.04	33.06	36.37	44.08
2/17/02	C	21.76	32.64	35.90	43.52
2/16/03		22.31	33.47	36.81	44.62
2/15/04		23.09	34.64	38.10	46.18
2/17/02	D	22.75	34.13	37.54	45.50
2/16/03		23.32	34.98	38.48	46.64
2/15/04		24.14	36.21	39.83	48.28

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DOUBLE SESSION OVERTIME						
Effective	Schedule	Straight time before midnight	7th hour of rec. within 8 hours before midnight 120%	After midnight 150%	Work beyond hold hour between midnight and 8:00 a.m. 165%	Work beyond 8 hrs. between midnight and 8:00 a.m. 200%
2/17/02	A	\$19.78	\$23.74	\$29.67	\$32.64	\$39.56
2/16/03		20.28	24.34	30.42	33.46	40.56
2/15/04		20.99	25.19	31.49	34.63	41.98
2/17/02	B	20.77	24.92	31.16	34.27	41.54
2/16/03		21.29	25.55	31.94	35.13	42.58
2/15/04		22.04	26.45	33.06	36.37	44.08
2/17/02	C	21.76	26.11	32.64	35.90	43.52
2/16/03		22.31	26.77	33.47	36.81	44.62
2/15/04		23.09	27.71	34.64	38.10	46.18
2/17/02	D	22.75	27.30	34.13	37.54	45.50
2/16/03		23.32	27.98	34.98	38.48	46.64
2/15/04		24.14	28.97	36.21	39.83	48.28

(2) Electronic Musical Devices

(i) At the Producer's election, a musician who is employed (other than on a "package deal" basis) to play an electronic musical device(s) shall be paid:

(A) at the existing rates set forth in Paragraph 15(a)(1) (hereinafter referred to as "real time rates") or

(B) at the following hourly rates (hereinafter referred to as "multi-tracking rates"):

(1) \$285.12 per hour effective February 17, 2002 (\$ 292.25 effective February 16, 2003; and \$302.48 effective February 15, 2004) if one (1) musician is employed under the multi-tracking rates;

(2) \$249.51 (each) per hour effective February 17, 2002 (\$ 255.75 effective February 16, 2003; and \$264.70 effective February 15, 2004) if two (2) or more musicians are employed under the multi-tracking rates.

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The foregoing rates include all electronic and acoustical doubles and all over-dubs. With respect to each session, Producer shall have the right to designate whether such musician is to be paid under the real time rates or at the foregoing multi-tracking rates. Producer shall make such election with respect to each such musician employed at the time such musician is initially engaged.

(ii) In the event Producer chooses to pay the musician under the multi-tracking rates:

(A) Producer shall notify the musician at the time of the call that the engagement will be pursuant to the multi-tracking provisions and shall specify the length of the call. The length of the call may be up to a maximum of ten (10) hours at straight time. However, when a musician accepts a guaranteed call of fewer than ten (10) hours, he/she cannot be required to work more than one (1) hour beyond such guaranteed call, as provided in Paragraph 15(b)(8)(a). If the musician does perform work beyond the one (1) hour hold period, such work shall be compensated at one hundred fifty percent (150%) of the applicable electronic multi-tracking rate in fifteen (15) minute increments. In all other respects, the multi-tracking provisions of the Agreement shall remain in full force.

NOTE: If a musician is engaged for a ten (10) hour call, he/she must be paid for the entire ten (10) hours, whether worked or not, unless he/she leaves earlier for personal reasons, in which case payment shall be made only for hours worked.

(B) The musician shall be paid for a minimum of three (3) hours.

(C) A one-hour meal period for such musician shall be called not later than six (6) hours after reporting for work. Subsequent meal periods shall be called not later than six (6) hours after the expiration of the previous meal period. The penalty for delayed meals shall be a straight time allowance at the scheduled regular basic hourly real time rate for the length of the delay, but not less than one-half hour.

(D) Work in excess of ten (10) hours, excluding meal periods, shall be paid at the rate of an additional fifty percent (50%), prorated in fifteen minute increments.

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(E) When, at the request of the Producer, the musician is required to work between the hours of midnight and 8:00 a.m., such musician shall be paid an additional fifty percent (50%) of the applicable hourly rate.

(iii) Phonograph records may be produced from music sound track recorded by a musician or musicians employed under the multi-tracking rates upon payment of the amounts set forth herein. A musician who performed alone under this rate shall receive no less than the basic phonograph recording session fee for each minute of music dubbed. When two (2) or more musicians performed, each musician shall receive no less than the basic phonograph recording session fee for each two (2) minutes of music dubbed.

(iv) A joint Industry-Federation Committee, established pursuant to Article 19 of the Agreement, consisting of representatives of the Producers and the Federation shall be established for the purpose of addressing problems that may arise under this provision and to establish guidelines with respect to rentals of such musicians' equipment.

(3) When two (2) or more recording sessions occur on the same picture on the same day, the rate for all sessions on that day for such picture shall be based on the rate applicable to the session in which the highest number of recording musicians was employed.

(4) Musicians who record music hereunder at a pre-recording session or sessions for theatrical feature length motion pictures (*e.g.*, "New York, New York," "Funny Girl," etc.), which recorded music is later used in playbacks at pre-production rehearsals by artists in said motion picture, shall be paid after such use a one-time-only premium of ten percent (10%) of their appropriate minimum scale straight time rate covering the period of time during which such music was recorded. Such premium shall be subject to Pension Fund contributions only, in accordance with the terms of Section I, Paragraph 3 hereof.

(5) There is no limitation or required number of Musicians to be employed.

(b) General Provisions Applicable to Recording Musicians

(1) Rest Period

Intermission of ten (10) minutes per hour away from stand must be given on all engagements, with the understanding that it means ten (10) minutes

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from the time musicians leave stands until they return and are ready to play. The Producer is privileged to accumulate two (2) rest periods, or to give two (2) fifteen (15) minute rest periods in a three (3) hour session, instead of three (3) ten (10) minute rest periods. Rest periods may not begin sooner than thirty (30) minutes following the beginning of session call provided that all of the employees subject to this Agreement are ready to perform at the beginning of the session. At no time shall a musician be required to perform for more than ninety (90) consecutive minutes on the stand.

(2) Doubling Rates and Conditions for Recording Musicians

(i) Instruments within the following respective groups are not construed as doubling:

(A) Piano and Celeste (when furnished);

(B) Drummer's standard outfit;

(C) Tympani;

(D) Mallet instruments: xylophone, bells and marimbas;

(E) Latin rhythm instruments. Any Latin instrument when used in less than eight (8) bars in connection with other instruments or used not in a rhythm pattern shall not in any event be a doubling instrument.

(F) Use of electronic devices such as multiplex, maestro, multiplier of octaves to be treated as a double if used to simulate instrumental sounds in addition to normal sounds of instrument to which attached.

(G) Use of multiple electronic musical devices, in conjunction with any electronic musical instrument such as a synthesizer, EVI or EWI, shall count in the aggregate as three (3) doubles.

(ii) Doubling rates:

First double - fifty percent (50%) of basic rate extra.

Second double - twenty percent (20%) of basic rate extra.

Third double - twenty percent (20%) of basic rate extra.

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Fourth double - twenty percent (20%) of basic rate extra.

The first instrument played in a single or double session, as the case may be, determines the basic instrument for that session and any overtime period to such session.

(iii) Computation of Doubling

(A) A musician who is required to double within the meaning of this Agreement within a day's call shall be paid "doubling" for not less than one (1) three (3) hour session.

For example: A musician is called in for a double session of six (6) hours. In the first three (3) hours, he/she plays only a saxophone. In the second three (3) hours, he/she plays only a flute. He/she would be entitled to the basic rate for the first three (3) hours and one hundred fifty percent (150%) of the basic rate for the second three (3) hours.

If, in such session, he/she played the saxophone for the first hour and the flute for the second and third hours and the saxophone for the fourth, fifth and sixth hours, he/she would be entitled to one hundred fifty percent (150%) of the basic rate for the first three (3) hours, and the basic rate for the last three (3) hours.

In computing the compensation for doubling, all time from the start of the recording engagement shall be considered in three (3) hour sessions regardless of the unequal division of a double session.

For example: If the Musician plays saxophone for the first and second hours and, after the break following the second hour, plays the flute for the third hour and the saxophone again for the fourth, fifth and sixth hours, he/she would be entitled to one hundred fifty percent (150%) of the basic rate for the first three (3) hours and the basic rate for the last three (3) hours.

In a double session, during which one or more doubles occurs in the first three (3) hours and the Musician commences the fourth hour with a doubling instrument, such doubling instrument shall be considered as the first double for the second three (3) hour period.

For example: A Musician plays the saxophone for the first hour, the flute for the second hour and the oboe in the third, fourth, fifth

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and sixth hours. He/she would be entitled to one hundred seventy percent (170%) of the basic rate for the first three (3) hours and one hundred fifty percent (150%) of the basic rate for the last three (3) hours.

(B) Overtime

If a double is begun in a three (3) hour session and such double is continued in an overtime period, the doubling rate shall apply for the three (3) hour session plus the overtime period.

For example: If a Musician plays a saxophone for the first and second hours and plays the flute for the third and fourth hours, he/she would be entitled to one hundred fifty percent (150%) of the basic rate for four (4) hours. If he/she played the saxophone for the first hour, the flute for the second hour and the oboe for the third and fourth hours, he/she would be paid one hundred seventy percent (170%) of the basic rate for the first three (3) hours and one hundred fifty percent (150%) of the basic rate for the fourth hour.

For example: A Musician plays the saxophone for the first, second and third hours, and the flute for the fourth, fifth and sixth hours as well as the seventh hour, he/she would be entitled to the basic rate for the first three (3) hours and one hundred fifty percent (150%) of the basic rate for the last four (4) hours.

For example: A Musician plays the saxophone for the first hour, the flute for the second, third, fourth, fifth, sixth and seventh hours, he/she would be entitled to one hundred fifty percent (150%) of the basic rate for the seven (7) hours.

For example: A Musician plays the saxophone for the first three (3) hours, the flute for the fourth and fifth hours, and the saxophone for the sixth and seventh hours. He/she would be entitled to the basic rate for the first three (3) hours, one hundred fifty percent (150%) of the basic rate for the second three (3) hours, and the basic rate for the overtime period.

If a double is commenced in an overtime period, he/she shall be paid a minimum of three (3) hours at the doubling rate.

For example: A Musician plays the saxophone for a three (3) hour session. He/she plays the flute for the fourth hour. He/she would

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be entitled to one hundred fifty percent (150%) of the basic rate for three (3) hours and the basic rate for one (1) hour.

(C) The first “double” rate of fifty percent (50%) of basic rate extra may only be paid when the basic rate is in effect. The second “double” rate of twenty percent (20%) of the basic rate extra shall only apply when the first doubling rate is in effect at the same time. The third “double” rate of twenty percent (20%) of the basic rate extra shall apply only when the second doubling rate is in effect at the same time; and the fourth “double” rate of twenty percent (20%) of the basic rate extra shall only apply when the third doubling rate is in effect at the same time.

For example: In a three (3) hour session, a Musician plays the saxophone for the first hour, plays the flute for the second hour and the oboe for the third hour. He/she would have two (2) doubles and would be entitled to one hundred seventy percent (170%) of the basic rate for the three (3) hours. If, in addition, he/she played the clarinet in the third hour, he/she would have three (3) doubles and would be entitled to one hundred ninety percent (190%) of the basic rate for the three (3) hours. If, in addition, he/she played not only the clarinet but also the bassoon, he/she would have four (4) doubles and be entitled to two hundred ten percent (210%) of the basic rate for the three (3) hours.

(iv) Any Musician who shall be required to transpose to avoid the use of an additional “doubling” instrument shall be considered as having doubled and shall be paid accordingly.

(3) On Location

Engagements on location over twenty-five (25) miles but not more than one hundred (100) miles from point (inside jurisdiction) ordered to report, \$37.64 (\$38.58 effective February 16, 2003; and \$39.93 effective February 15, 2004) per hour extra for time consumed in traveling to and from location. When such engagements are over one hundred (100) miles from point (inside jurisdiction) ordered to report, they shall be arranged through the Federation Representatives.

(4) Calls

All calls for recording Musicians shall be made not later than 6:00 p.m. on the day preceding the call, except in emergency, and except that, at

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the end of any recording session, calls for the following day may be given to the Musicians.

When the Producer has prior knowledge of a call for recording musicians, it will give advance notice of such call to the appropriate Federation Local. When Producer does not have such prior knowledge, calls for recording musicians shall be reported to the Federation promptly after the call is made. A confirmed call for underscoring may be cancelled upon ninety-six (96) or more hours notice. A call for pre-recording may be cancelled upon a notice of forty-eight (48) or more hours.

(5) Meals

Meal breaks should be between the hours of 12:00 p.m. and 2:00 p.m., and 6:00 p.m. and 8:00 p.m., respectively. If any session goes beyond six (6) hours, coffee and sandwiches will be furnished.

(6) Night Premiums

Work performed after midnight shall be paid at time-and-one-half.

Work hours beyond eight (8) hours and performed between midnight and 8:00 a.m. will be compensated at two hundred percent (200%) of the straight time rate.

(7) Dismissal For Day

When any member or members are dismissed for the day while the balance of the orchestra is still in session, they shall immediately be given adequate time to pack up and leave, or they shall be paid for any period they are required to wait, subject to a ten (10) minute leeway.

(8) Single Sessions, Guaranteed Longer Calls and Double Sessions

(i) The Producer may hold the musician for one (1) hour beyond a single session or a guaranteed longer call. If musician is so held, or if work is performed in such hold hour, it shall be paid for at the straight time rate in units of fifteen (15) minutes. If the musician is required to remain beyond the one (1) hold hour, he/she shall be paid for such time beyond such hour at one hundred fifty percent (150%) of the straight time rate in fifteen (15) minute units, except that work beyond

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the one (1) hold hour which occurs between midnight and 8:00 a.m. shall be paid at one hundred sixty-five percent (165%) of the straight time rate in fifteen (15) minute units. Provided, however, that in the event that a guaranteed call exceeds five (5) hours (but is less than a double session), the guaranteed call and the hold period combined shall not exceed six (6) hours.

(ii) In the event a musician cannot remain beyond one (1) hour hold, such musician shall notify the contractor prior to the beginning of the session. If the musicians have given the appropriate advance notice, the Producer or his/her agent shall be responsible for securing additional musicians, if necessary.

(iii) A double session shall be completed within eight (8) hours. Work hours beyond six (6) hours within an eight (8) hour period will be paid at one hundred twenty percent (120%) of the straight time rate in fifteen (15) minute units. If the musician is required to remain after eight (8) elapsed hours (whether worked or not), he/she shall be paid at one hundred fifty percent (150%) of the straight time rate in fifteen (15) minute units.

(iv) Two single sessions shall not be called in the same day in lieu of a double session in order to circumvent the time spread penalty, when both of such single sessions are for the same motion picture, utilizing the same conductor, and both utilize all of the same individual musicians.

(v) Notwithstanding any other provisions in this Agreement, there shall be no compounding in computing the above and payment will be made on the highest appropriate rate.

(9) Leader - Double Recording Musician's Rate

When only one recording musician is called for a session, he/she shall be paid double the Recording Musician's rate to perform alone.

(10) Double Sessions

(i) Engagements of two (2) sessions (completed within eight (8) hours of time called) may be divided into two (2) periods at the convenience of the studio, with not less than one (1) hour between sessions.

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(ii) When more than a double session of recording is continuous without a break of at least one (1) hour, a penalty of one (1) hour at the minimum scale shall be paid each such musician.

(11) Other Recordings

Trailers may be scored in, or added to, any recording session. Trailers, "pickups" (supplemental music recorded after a motion picture has been recorded), short subjects, travelogues, adventure films and cartoons requiring less than one (1) hour to screen may all be scored in the same recording session or the scoring for any one or all may be added to any recording session. If a three (3) hour recording session is called to record for such short subjects, travelogues, adventure films and cartoons, the basic recording rate shall be \$237.40 (\$243.34 effective February 16, 2003; and \$251.86 effective February 15, 2004).

(12) Cartage

Whenever the Producer requests a musician to bring a heavy instrument to a recording session, the Producer shall specify whether the musician shall transport such heavy instrument either by public or private transportation, and public transportation shall be used if it is the only practicable manner of transportation. If a public carrier is to be used, the Producer shall have the option of designating the public carrier qualified to transport musical instruments. If the instrument is delivered by the designated public carrier, the Producer shall pay the cartage bill of the designated public carrier. If the musician chooses to use a carrier other than that designated by the Producer, the Producer shall not be liable for a cartage bill greater than the rate charged by the designated carrier. If private transportation is used, the Producer shall pay the musician for actual cartage, at the following rates, only for those instruments listed below which the Producer orders the musician to bring to the recording session:

Harp.....\$30.00

String bass, tuba, drums, all heavy or bulky amplifiers, baritone saxophone, cello, bass saxophone, contra bass clarinet, contra bass bassoon, accordion, baritone horn and the contra bass trombone \$12.00 each

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(13) Orchestra Manager

If ten (10) or more recording musicians including leader are employed for any session, an orchestra manager (contractor) who is a member in good standing of the Federation shall be employed for said session. He/she may be one (1) of the recording musicians. It shall be the duty of the orchestra manager to see that all musical activities conform to this Agreement. The orchestra manager or his/her designee (who may also be a member of the orchestra) shall be physically present at all recording sessions during the entire engagement.

The minimum pay for an orchestra manager shall be twice the minimum rate of pay applicable to the non-doubling recording musicians employed in the session, but in any event, the scale for any person performing both as an orchestra manager and a recording musician shall not exceed twice such recording musician's non-doubling scale. Whether or not the orchestra manager is present at the recording sessions, pension contributions shall be made on his/her behalf based on the minimum pay paid to the orchestra manager under the foregoing sentence. The orchestra manager may not be required to function as a sound consultant or conductor.

(14) Services Other Than Musical Services

Excluding whistling, recording musician shall not be required to perform services other than those requiring the use of their musical instruments unless such services are provided for on the musical score.

(15) Music Sound Consultant

If a musician, excluding the conductor, leader, contractor or orchestrator (except as provided in the next sentence), is specifically assigned by the Producer to perform services in the booth in assisting and advising the Producer or Sound Technician as to the musical sound quality of the music being recorded during the recording session, he/she shall be paid for such services at a rate of \$55.56 (\$56.95 effective February 16, 2003; and \$58.94 effective February 15, 2004) for each hour actually engaged in performing the service. Orchestrators may be engaged under this paragraph only if two orchestrators have already been engaged for the session under Paragraph 38.

(16) At the termination of each session, the Producer or his/her authorized representative, including any contractors, shall announce to the recording musicians the time for which they will be compensated.

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III. PRODUCTION MUSICIANS (NON-RECORDING)

16. DAILY SCHEDULE

	2/17/02	2/16/03	2/15/04
Single Session (3 hours or less)	\$144.02	\$147.62	\$152.79
Two (2) sessions (6 hours) completed within ten (10) hours of time called ending not later than midnight	259.29	265.77	275.07

Engagements of two (2) sessions (completed within ten (10) hours of time called) may be divided into two (2) periods at the convenience of the studio, with not less than one (1) hour between sessions.

Overtime per fifteen (15) minutes or fraction thereof:

	Not Later than Midnight	After Midnight
2/17/02	\$12.00	\$18.00
2/16/03	12.30	18.45
2/15/04	12.73	19.10

Overtime must immediately follow a regular session. All hours not continuous will be charged as additional sessions.

17. WEEKLY SCHEDULE

	2/17/02	2/16/03	2/15/04
30 hours per week (not more than six (6) hours per day)	\$1152.24	\$1181.05	\$1222.39
40 hours per week (not more than eight (8) hours per day)	1382.69	1417.26	1466.86

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Overtime per fifteen (15) minutes or fraction thereof:

30 HOUR WEEK

	Not Later than Midnight	After Midnight
2/17/02	\$9.60	\$14.40
2/16/03	9.84	14.76
2/15/04	10.19	15.29

40 HOUR WEEK

	Not Later than Midnight	After Midnight
2/17/02	\$8.64	\$12.96
2/16/03	8.86	13.29
2/15/04	9.17	13.76

Not less than one (1) intermission of one (1) hour or more per day shall be taken.

Time computed from time called to time dismissed, daily, exclusive of meal periods.

Schedule under which a single musician is engaged must be designated at beginning of each week, and all hours over schedule shall be paid for as overtime.

18. CALLS

All calls for single non-recording musicians shall be made not later than 6:00 p.m. on the day preceding the call, except in emergency, and except that, at the end of any session, calls for the following day may be given to the musicians.

19. ADDITIONAL SERVICES

Sketching and layout work to be considered as arranging and is subject to arranging scales. The establishing of single line lead sheet is not to be considered as sketching and layout work.

20. MEALS

(a) Intervals Between Meals

The first meal period shall be called not later than six (6) hours after reporting for work, and subsequent meal periods shall be called not later than six (6) hours after the expiration of the next previous meal period.

(b) Penalty for Delayed Meals

Straight time allowance at the scheduled Regular Basic Hourly Rate for length of delay. Minimum allowance: one-half (1/2) hour.

21. NIGHT PREMIUM

Work performed after midnight shall be paid at time-and-one-half.

IV. SIDELINE MUSICIANS

22. WORK DAY

“Sideline,” “atmosphere,” or “silent” work day starts at time and place ordered to report and ends when dismissed at studio or in the city.

23. WEATHER-PERMITTING CALLS

(a) When the scheduled photography is cancelled by Producer because of weather conditions, a sideline musician reporting pursuant to a “weather-permitting” call shall be paid one-half day of pay, which shall entitle the Producer to hold the sideline musician for not exceeding four (4) hours; the sideline musician shall receive two (2) hours of pay (at straight time) for each additional two (2) hours or fraction thereof, during which he/she is thereafter so held.

(b) During this time, the Producer may costume, rehearse or otherwise use the sideline musician on the specified photoplay, except for recording or photographing, still or otherwise, of such sideline musician.

(c) If the sideline musician is used for such recording or photographing, he/she shall receive a day of pay.

- (d) "Weather-permitting" calls shall not be issued for stages in studios.

24. FITTINGS AND INTERVIEWS

- (a) Costume Fittings

Sideline musicians fitted at a place designated by the Producer shall be given a fitting allowance as follows:

(1) If on a day prior to the work call, payment for two (2) hours time; additional time shall be paid for at the hourly rate in units of thirty (30) minutes.

(2) If the fitting call is on the same day as the work call, straight time computed in units of thirty (30) minutes; provided, however, if on the same day, four (4) hours or more intervene between the work call and the fitting, payment shall be made as though the fitting occurred on a day prior. If less than four (4) hours intervene from the termination of the fitting to time of work call, all intervening time is work time.

A sideline musician who has been fitted shall be paid not less than a full day of agreed wages if not given employment in the production for which he/she was fitted. The rate of fittings shall be based on the classification in which the sideline musician is employed on his/her first day of employment on which he/she is required to wear the costume for which he/she is so fitted.

- (b) Interviews

Sideline musicians reporting for interviews shall receive an interview allowance of one-and-one-half (1½) hours of pay for the first one-and-one-half (1½) hours of the interview. For additional time of the interview, sideline musicians shall receive an interview allowance, minimum computation in units of one-and-one-half (1½) hours at the specified regular hourly rate. If, within any period of interview time, any recording or photography, still or otherwise, is done for use in any production, he/she shall be paid the agreed daily wage, except that still pictures to be used exclusively for identification of the musician or wardrobe may be taken by Producer without making such payment.

Upon completion of the interview, the sideline musician shall be notified whether or not he/she has been selected, and he/she shall be advised as to the rate of compensation to be paid; if the sideline musician is not used in the

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production for which he/she was selected, he/she shall be paid the day of pay unless he/she is not available when called, in which event he/she shall not be entitled to any payment.

A sideline musician required to report for a second interview for the same job shall be paid not less than two (2) hours of pay at the established daily rate.

Sideline musicians who are required to and do report for an interview in dress clothes shall be paid six dollars (\$6.00) over and above the interview allowance.

If the sideline musician is not used in the motion picture for which interviewed, he/she may be used in another picture on the same day for which he/she was called.

25. NOTIFICATION AND CANCELLATION OF CALLS

(a) Notification of Calls

All calls for sideline musicians shall be made not later than 6:00 p.m. on the day preceding the call, except in emergency, and except at the end of any photographic day, calls for the following day may be given to the sideline musicians.

(b) Cancellation of Calls

The Producer shall have the right to cancel any call for any of the following reasons beyond his/her control:

- (1) Illness in principal cast;
- (2) Fire, flood or other similar catastrophe;
- (3) Governmental regulations or order issued due to a national emergency.

In the event of any such cancellation, the musician so cancelled shall receive a one-half (½) check, except as provided in subparagraph (e) below.

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(c) The Producer shall be entitled to hold and use such Sideline Musician for four (4) hours only to the extent herein provided. For each additional two (2) hours or fraction thereof, such Musician shall receive a one-quarter (1/4) check.

(d) During the time in which the Sideline Musician is so held, the Producer has the privilege of putting Sideline Musicians into costume, rehearsing or making other use of their services. If, however, any recording or photography is done, whether still pictures or otherwise, Sideline Musicians shall be paid the agreed daily wage.

(e) If any Sideline Musician be notified of such cancellation before 6:00 p.m. of the day previous to the work date specified in such call, or be otherwise employed on such work date by the same or any other Producer, at a rate equal to or higher than the rate applicable to such Sideline Musician as specified in such cancelled call, he/she shall not be entitled to such one-half (1/2) check.

(f) If the Sideline Musician's second work assignment shall be for a time to commence less than four (4) hours after the time of his/her cancelled call, he/she shall receive, in lieu of the one-half (1/2) check, an allowance for the cancellation of the call on a straight time hourly basis, computed in thirty (30) minute units from the time of the first call to the time of his/her second call. Overtime, if any, on the second work assignment shall be computed without reference to the first call. If the second work assignment shall be for a time to commence more than four (4) hours after the time of his/her cancelled call, he/she shall receive the one-half (1/2) check. Overtime, if any, shall be computed without reference to his/her first call.

26. BASIC SCALES

	<u>2/17/02</u>	<u>2/16/03</u>	<u>2/15/04</u>
(a) Minimum pay for eight (8) hours	\$168.81	\$173.03	\$179.09
(b) Overtime after eight (8) work hours, time-and-one-half, per fifteen (15) minutes	7.91	8.11	8.39
(c) All work hours must be consecutive (except that a one (1) hour meal period, deductible from work time, will be allowed in nine (9) hours).			

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- (d) ONE PERSON only, if photographed playing a musical instrument ALONE, subject to the above schedule of hours
- | | | | |
|--|----------|----------|----------|
| | \$198.93 | \$203.90 | \$211.04 |
|--|----------|----------|----------|
- (e) Night premium. Hours worked between midnight and 1:00 a.m., ten percent (10%) additional based on rate in effect. Hours worked 1:00 a.m. through 6:00 a.m., twenty percent (20%) additional based on rate in effect, except for work performed for programs photographed before a live audience when such work is performed concurrently with such photography.

27. MEALS

(a) Meal periods shall be not less than one-half (1/2) hour nor more than one (1) hour. Not more than one meal period shall be deducted from work time during the first eight (8) hours.

(b) The first meal period shall be called not later than six (6) hours from time of the employee's first call for the day, and subsequent meal periods not later than six (6) hours after the termination of the preceding meal period, except on staggered calls. Producer may call a meal period on work time and the deductible meal period shall commence not later than six (6) hours thereafter.

(c) Night Meals: Food and hot drinks shall be provided when sideline musicians are required to work after 11:30 p.m.

(d) Violation of Meal Period Provisions:

The penalty, if any, for each one-half (1/2) hour meal delay or fraction thereof shall be one (1) hour of pay computed at one-eighth (1/8) of the straight time eight (8) hour daily basic wage rate paid for that "work day" to all sideline musicians on that particular production who are entitled to such meal period penalty.

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28. WARDROBE

(a) Wardrobe Allowance

Sideline musicians are not to be required to provide any wardrobe other than tuxedo, business suit or full dress. If Producer shall require a musician to provide "full dress" (white tie and tails) or tuxedo, he/she shall be entitled to an allowance of \$15.00 for such dress without relation to any other wardrobe allowance.

When a sideline musician reports in the specified wardrobe and, in addition, brings one or more complete changes of wardrobe as requested by the Producer, he/she shall be entitled to an allowance of \$5.00 per day for the first such change and \$7.50 per day for any two (2) or more such changes; provided, however, that such allowance shall not be applicable to wardrobe furnished for and used on an overnight location.

(b) Wardrobe Removal Allowance

A Sideline Musician shall be dismissed as soon as his/her wardrobe or property has been turned in. Whenever he/she turns in wardrobe or property on time for which he/she is not otherwise compensated, he/she shall be paid a wardrobe removal allowance of thirty (30) minutes at his/her regular hourly rate for that day. If more than the one-half (½) hour allowance is required to check in his/her wardrobe or property, he/she shall be paid for such excess time at his/her agreed daily rate, computed in units of fifteen (15) minutes.

(c) Damage to Wardrobe or Property

If any wardrobe or property, personally owned by a Sideline Musician, is damaged in the course of his/her employment, the Producer shall compensate him/her therefor.

29. MAKE-UP

A Sideline Musician who is directed to and does have body make-up or oil applied to more than fifty percent (50%) of his/her body and/or who is required to and does wear a rubber skullcap and/or who is required to and does wear hair goods affixed with spirit gum (specified as full beards, mutton chops or a combination of goatee and mustache) and/or who, at the time of his employment, is required to and does wear his own natural full-grown beard, as a condition of employment, shall be

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entitled to additional compensation of \$10.00 per day. It is understood and agreed that a Sideline Musician who grows or is directed to grow a beard while employed by the Producer shall not be entitled to such additional compensation therefor.

30. LEADERS

When two (2) or more Sideline Musicians are employed on an engagement, one (1) shall be construed as leader and shall receive one hundred percent (100%) extra of scale.

31. ON LOCATION

When working on location at a distance, making commuting to and from engagement impracticable or impossible, daily schedules are to apply.

Travel time begins when the Musician reports for travel pursuant to instructions and ends when the Musician arrives at destination. Travel time between 6:00 a.m. and 6:00 p.m. only will be computed as work time, but not to exceed eight (8) hours per day. Travel time rate \$20.18 per hour (\$20.68 effective February 16, 2003; and \$21.40 effective February 15, 2004). Leader, double.

All expenses shall be paid by the Producer, including transportation, meals and reasonable sleeping accommodations, in addition to regular daily schedules.

32. RECORDING BY SIDELINE MUSICIANS

(a) Except for "leak throughs," if sideline musicians record, they shall be paid recording scale in addition to their full eight (8) hour sideline call. This shall not apply if the musicians play but do not record. A "leak through" is defined as the recording of sideline musicians which is not intended for direct recording.

(b) A sideline musician, when photographed, performing both sideline and recording services within a basic three (3) hour session, will be paid the recording scale for a minimum three (3) hour session in addition to any other payments entitled to hereunder.

33. DOUBLING SIDELINE MUSICIANS

When a sideline musician is required to double as defined in this Agreement, he/she shall receive twenty-five percent (25%) for the first double and ten percent (10%) for each added double, if photographed playing such respective instruments.

34. WHEN ESTABLISHED PHOTOGRAPHICALLY

When a sideline musician is established photographically, he/she must finish out his/her call even if the Producer requires his/her services for an additional day or days beyond the original engagement.

35. SILENT BIT

When a sideline musician is directed to do special business of such importance that, in addition, it includes the portrayal of an essential story point in pantomime, in a 4-shot or less, or when a sideline musician is directed to do in pantomime special business with actors to convey an essential story point in a close shot, such performance shall constitute a silent bit and he/she shall be entitled to compensation for the day of not less than \$270.81 (\$277.58 effective February 16, 2003; and \$287.30 effective February 15, 2004) or the prevailing rate in Los Angeles for such work, whichever is the greater.

36. ORCHESTRA MANAGER FOR SIDELINE MUSICIANS

If ten (10) or more sideline musicians, including leader, are employed for any session, an orchestra manager (contractor), who is a member in good standing of the Federation, shall be employed for said session. He/she may be one (1) of the sideline musicians. It shall be the duty of the orchestra manager to see that all musical activities conform to this Agreement. He/she shall be physically present at all recording sessions during the entire engagement. The minimum pay for such orchestra manager who does not perform as a sideline musician shall be the minimum rate of pay applicable to the non-doubling sideline musicians employed in the session. The minimum pay for a person performing both as an orchestra manager and a sideline musician shall be twice the minimum rate of pay applicable to such sideline musicians.

V. ORCHESTRATORS

37. DEFINITIONS

(a) Orchestrating is defined as the art of assigning, by writing in the form of an orchestra score, the various voices of an already written composition

complete in form. A composition is considered complete in form when it fully represents the melodic, harmonic and rhythmic structure.

(b) Prices quoted in this Section refer to orchestration only and must not be interpreted to include or apply to creative contribution such as reharmonization, paraphrasing or development of a composition already complete in form.

(c) Any alteration of or addition to the structure of a composition is defined as arranging. The price charged shall be subject to individual negotiations, but shall be in addition to the orchestrator scale.

(d) Sketching is an additional service and the payment therefor shall be subject to individual negotiations between the Producer and the musician.

38. RECORDINGS

Orchestrators will not be required to attend recording sessions. If the orchestrator is specifically requested by the head of the music department to attend or assist in the scoring session, thereby expediting the recording process, the orchestrator shall be paid not less than recording musician scale. If more than two orchestrators are so requested, only two may be paid under this provision, and the remaining orchestrators will be paid under the provisions of Paragraph 15(b)(15).

39. MEALS

(a) Intervals Between Meals

The first meal period shall be called not later than six (6) hours after reporting for work and subsequent meal periods shall be called not later than six (6) hours after the expiration of the next previous meal period.

(b) Penalty for Delayed Meals

Straight time allowance at the scheduled Regular Basic Hourly Rate for length of delay. Minimum allowance: one-half (½) hour.

40. VOCAL OR INSTRUMENTAL ORCHESTRATION RATES

A score page shall consist of four (4) bars; rates shall be computed on page and half-page rates, except that the first page shall be paid in full rather than prorated. The last page of a score shall be computed at not less than a half-page rate.

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41. PAGE RATES

A score page shall consist of four (4) bars; come sopras to eight (8) measures to be counted in the space of one (1) bar.

	2/17/02	2/16/03	2/15/04
(a) Not more than 13 lines	\$ 24.64	\$ 25.26	\$ 26.14
(b) Not more than 20 lines of which two (2) only may be double stave part	31.67	32.46	33.60
(c) (1) Not more than 25 lines	35.46	36.35	37.62
(2) Not more than 30 lines	39.30	40.28	41.69
(3) Not more than 35 lines	43.19	44.27	45.82
(4) Not more than 40 lines	47.01	48.19	49.88
(5) Not more than 45 lines	51.62	52.91	54.76
(6) Not more than 50 lines	55.03	56.41	58.38
(7) More than 50 lines	56.86	58.28	60.32
(d) Piano part taken from voice	39.44	40.43	41.85
(e) Taking down melody and making lead sheet	19.81	20.31	21.02
Exact transcription of all parts of a composition from a mechanical device, and creating or recreating the orchestration for a score page -- time-and-one-half applicable orchestration scale.			
(f) Conductor's part, from score	19.81	20.31	21.02
(g) Timing pictures, if requested to attend recording sessions, per hour	39.44	40.43	41.85

(continued)

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(continued)

(h) Adding lines to an existing score per line - per page	4.06	4.16	4.31
Divisi parts: Count as one (1) line per instrument.			
Double stave parts: Count as two (2) lines.			

The following in the aggregate will count as one (1) line of score: Bar numbers, page numbers, timings, clicks, scene cues and other supplementary information.

A "pick-up" will be computed as a full bar for orchestrators.

42. WEEKLY ENGAGEMENTS

When an Orchestrator is guaranteed by written contract not less than forty (40) out of fifty-two (52) consecutive weeks at \$1469.81 (\$1506.56 effective February 16, 2003; and \$1559.29 effective February 15, 2004) or more per week, he/she shall not be entitled to any additional compensation based upon any of the above page rates.

When an Orchestrator is called to work at the above page rates, one (1) thirty (30) minute period of free consultation time shall be allowed; however, all waiting time shall be paid for at the rate of \$39.44 (\$40.43 effective February 16, 2003; and \$41.85 effective February 15, 2004) per hour.

43. MISCELLANEOUS WORK

Time rates may be used only for adding parts to a score, on adjustments, work at rehearsals, take downs, alterations, additions and in other situations where page rates are impractical. The hourly rate for time work shall be \$39.44 (\$40.43 effective February 16, 2003; and \$41.85 effective February 15, 2004).

44. ORCHESTRATIONS

(a) Musical orchestrators and copyists must be paid at the prevailing motion picture orchestrating rate for all orchestrations, or copyist rates for copying work, as the case may be, when initially used for motion pictures, but with no additional compensation for any subsequent motion picture use. This also applies

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to orchestrations already in the possession of any orchestra or band leader, which were originally made for other than motion picture purposes. This does not apply to contracts already executed. All orchestrations already in the possession of the Producer and scored under this Agreement shall be confined to motion pictures produced by the Producers.

(b) To the extent known at the time of filing of a Form B Contract or an Orchestra Manager's Report, the identity of the orchestrator(s) will be listed on each such Contract or Report. In this regard, Composers will be asked to provide Producers with such information.

VI. MUSIC PREPARATION

45. Librarians shall have supervision over all Assistant Librarians, Copyists and Proofreaders employed on all engagements.

46. When a Copyist is required to perform a Librarian's duties, he/she shall receive the applicable Librarian's daily *pro rata* rate as specified.

47. All paper and necessary working materials shall be supplied by the employer or furnished by the employee at cost. All printing of duplicate parts shall be supplied by the employer or furnished by the employee at cost. Messenger service (pick-up and delivery) shall be paid for by the employer.

Suitable chairs, tables, lighting and necessary equipment shall be made available by the Producer.

48. COPYIST PAGE RATES

(a) A Copyist engaged to do work shall be compensated by the page and shall be guaranteed not less than \$86.29 (\$88.45 effective February 16, 2003; and \$91.55 effective February 15, 2004) for the engagement (it being understood that the Studio is entitled to the equivalent in service).

(b) All work is to be computed by the page and the half-page. Such page shall be deemed to consist of ten (10) staves (lines), including the heading, and a half-page shall consist of up to five (5) staves (lines).

(c) The page rate for all pages shall be the amounts indicated below. The half-page rates for such pages shall be at one-half (1/2) of such page rates.

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(d) All parts prepared for reproduction by any mechanical process (regardless of their usage) shall be charged for at double the listed rates.

(e) Transposition of any part, fifty percent (50%) or more of which is transposed, fifty percent (50%) extra. The above applies whenever transpositions are required under this Agreement.

(f) Special routine work, when two (2) or more scores, orchestral or vocal parts must be used or referred to in extracting the parts, shall be paid for at fifty percent (50%) more than the listed rates and there shall not be any charge for transposition.

(g) Work performed by a Copyist, under the direction and control of Producer, between the hours of 6:00 a.m. and 9:00 p.m., shall be paid at the basic rate. When a Copyist is ordered by Producer to work at night and performs his/her work as directed under Producer's control, then all of such work as is performed between 9:00 p.m. and midnight shall be paid at one hundred ten percent (110%) of the basic rate; all of such work as is performed between midnight and 6:00 a.m. shall be paid at one hundred fifty percent (150%) of the basic rate until the Copyist is dismissed. There shall be no compounding in pricing the computation.

(h) A copyist who works in excess of twelve (12) hours in a day, under the direction and control of the Producer, shall be paid at one hundred twenty-five percent (125%) of the basic rate, unless a higher premium rate applies.

<u>INSTRUMENTAL PARTS</u>	<u>Basic Rates Page 10 Lines</u> <u>Effective Dates</u>		
	2/17/02	2/16/03	2/15/04
(a) Single Notation	\$ 4.84	\$ 4.96	\$ 5.13
(b) Divisi Parts (any part of which 50% or more is divisi) shall be computed at one and one-half times the basic rate	7.26	7.44	7.70
(c) Piano, banjo, guitar, harp, organ, celeste	8.25	8.46	8.76
(d) Piano with melody line cued	12.33	12.64	13.08

(continued)

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(continued)

(e) Piano with orchestral cues on separate line, 3 brace	13.08	13.41	13.88
(f) Piano (two line part) with orchestral cues incorporated	13.98	14.33	14.83
(g) Classical, concert, symphonies or similar piano parts	13.98	14.33	14.83
(h) Writing in lyrics (each set)	1.97	2.02	2.09
(i) Writing in foreign language lyrics (consisting of 50% or more of a page) each set	2.33	2.39	2.47
(j) Rehearsal letters, lettering or numbering bars	0.77	0.79	0.82
(k) Adding harmony chord symbols to any part, at harmony changes only	1.53	1.57	1.62
(l) Song piano parts (including a single set of lyrics)	10.17	10.42	10.78
(m) Song piano parts (including a single set of lyrics and chord symbols at harmony changes only)	11.65	11.94	12.36
(n) Adding symbols, other than chord symbols, for electronic instruments or devices:			
(1) Single stave parts	2.00	2.05	2.12
(2) Multiple stave parts	1.08	1.11	1.15

VOCAL PARTS	Basic Rates Page 10 Lines		
	2/17/02	2/16/03	2/15/04
(a) Single voice line with single set of lyrics	\$ 6.83	\$ 7.00	\$ 7.25
(b) Choir parts with single set of lyrics	9.22	9.45	9.78
(c) Choir parts with double set of lyrics	11.23	11.51	11.91

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<u>CONDUCTOR PARTS</u>	Basic Rate Page 10 Lines		
	2/17/02	2/16/03	2/15/04
(a) Single melody line only worded instrumental cues	\$ 8.25	\$ 8.46	\$ 8.76
(b) Lead lines with notated instrumental cues (single or double staff)	10.82	11.09	11.48
(c) From orchestral sketch or condensed score (if reference to score is required for this classification, Section (d), shall apply)	12.92	13.24	13.70
(d) Constructed from score - harmonically complete	15.14	15.52	16.06

49. COPYING PARTS FROM SKETCH OR SCORE

(a) Definitions

(1) Full Score: A visual representation of parts to be performed by instruments and/or voice of a musical ensemble systematically placed on a series of staves, one above the other, and in which none other than two (2) identical instruments are combined on a single staff.

(2) Condensed Score: A visual representation of a composition or arrangement in condensed form, when not more than four (4) instruments are combined on a single staff and remain on the same staff throughout.

(3) Sketch: A visual representation of a composition in condensed form wherein either more than four (4) instruments are notated on a single staff, or two (2) or more instruments do not remain on the same staff throughout, but fully setting forth the melodic, harmonic and rhythmic structure in such a manner that the Copyist may understand what was intended.

(4) Copying parts from a condensed score shall be charged for at basic page rates (including fifty percent (50%) extra for parts transposed) plus fifty percent (50%) additional for only those parts that are extracted from staves combining three (3) or more instruments.

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(5) Copying parts from a sketch shall be charged for at basic page rates (including fifty percent (50%) extra for transposition) plus fifty percent (50%) additional overall.

50. PROOFREADER

(a) With respect to proofreaders employed on a daily or weekly rate, after working on an overtime rate, eight (8) rest hours shall elapse before resuming single scales. When called back before the expiration of the eight (8) hour rest period and when intervening time between dismissal and recall is four (4) hours or less, then such intervening time and succeeding consecutive work hours shall be paid at the applicable overtime rate as though there had been no time off. If the intervening time between dismissal and recall is more than four (4) but less than eight (8) hours, such person shall be paid at the applicable overtime rate for all succeeding work time.

(b) Day Calls

	PER HOUR Effective Dates		
	2/17/02	2/16/03	2/15/04
(1) Eight (8) hours minimum call, commencing between 8:00 a.m. and midnight	\$ 18.54	\$ 19.00	\$ 19.67
(2) For any hours (in the minimum call) occurring after midnight	24.78	25.40	26.29
(3) Overtime after eight (8) hours on day calls, per hour or fraction thereof	27.81	28.50	29.51

(c) Night Calls

	2/17/02	2/16/03	2/15/04
(1) Six (6) hours minimum call, commencing between midnight and 8:00 a.m.	\$148.55	\$152.26	\$157.59
(2) Overtime after six (6) hours, per hour or fraction thereof	27.86	28.55	29.55

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(d) Weekly Rates

	2/17/02	2/16/03	2/15/04
(1) Engagements of one (1) week, of forty (40) working hours in five (5) or less days between hours of 8:00 a.m. and midnight, not exceeding eight (8) hours in any day, time computed from time called to time dismissed, per week	\$705.40	\$723.04	\$748.35
(2) Overtime, per hour or fraction thereof to midnight	17.64	18.08	18.71
(3) Overtime after midnight, per hour or fraction thereof	26.46	27.12	28.07

(e) Paragraphs 48 and 49 shall be applicable to proofreaders.

(f) If an orchestrator is employed to proofread, he/she shall be paid at the orchestrator's rate. If a copyist is employed to proofread, he/she shall be paid at the copyist's rate.

51. MISCELLANEOUS

When a copyist is engaged on work by the page and is required to cut, paste or render similar service, such service and/or waiting time after copyist reports for work to be paid for at the rate of \$20.76 (\$21.28 effective February 16, 2003; and \$22.02 effective February 15, 2004) per hour in periods of not less than fifteen (15) minutes.

52. MEALS (For daily and weekly employees only)

(a) Intervals Between Meals

The first meal period shall be called not later than six (6) hours after reporting for work and subsequent meal periods shall be called not later than six (6) hours after the expiration of the next previous meal period.

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(b) Penalty for Delayed Meals

Straight time allowance at the scheduled Regular Basic Hourly Rate for length of delay. Minimum allowance: one-half (½) hour.

VII. LIBRARIANS

53. Employees in charge of the Music Library, supervisor of Copyists, clerical, and research work in connection with all musical requirements, etc., are classed as Librarians, and shall receive not less than \$831.49 (\$852.28 effective February 16, 2003; and \$882.11 effective February 15, 2004) per five (5) day week of forty-three and two-tenths (43.2) cumulative hours, overtime at straight time. Minimum call: On any day other than the day of a recording session, there shall not be less than a three (3) hour call at the existing hourly rate.

54. A Music Librarian is not permitted to perform the duties of any other classification of work enumerated in this schedule. A Music Librarian is authorized to act as contractor for the employment of Copyists on behalf of the Producer. When two (2) or fewer Copyists are engaged, a Librarian is permitted to do copying work.

All copying work performed by librarians under the terms of this Agreement, at the direction of the Producer, shall be paid for at the applicable rates, but with no minimum guarantee.

55. When a Librarian is employed and the services of an Assistant are required, such Assistant shall receive not less than \$513.04 (\$525.87 effective February 16, 2003; and \$544.28 effective February 15, 2004) per five (5) day week of forty-three and two-tenths (43.2) cumulative hours overtime at straight time.

56. An Assistant Music Librarian is directly responsible to the Music Librarian.

57. In addition to assisting the Music Librarian, the Assistant Music Librarian may perform any of the other duties set forth in this schedule. All rates and regulations enumerated herein must be observed.

58. In connection with any so-called "package deal," the following shall apply:

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(a) The Music Librarian employed shall be paid twenty-five percent (25%) as a surcharge of the cost of music preparation (copying and proofreading), only if said music preparation is done under his/her supervision.

(b) A Music Librarian employed for the recording session shall be paid \$222.80 (\$228.37 effective February 16, 2003; and \$236.36 effective February 15, 2004) for not to exceed eight (8) consecutive hours, excluding meal periods, on the day of such recording session. Such Music Librarian may do any emergency copying or make any corrections to music, on the set or the scoring stage. Overtime after eight (8) consecutive hours, excluding meal periods, shall be computed in one-half (½) hour units at the rate of \$20.90 (\$21.41 effective February 16, 2003; and \$22.17 effective February 15, 2004) per each half hour.

(c) Page rates shall apply for all copying on this type of operation, excluding copying as provided in subparagraph (b) above.

(d) When a Supervising Copyist (a copyist who secures the services of other copyists) is employed, he/she shall be paid the said twenty-five percent (25%) surcharge of the cost of music preparation (including copying done by him/her) when the services of more than one copyist are necessary to complete the work assignment. The Supervising Copyist may also be the Music Librarian.

59. VACATION PAY

In addition to the provisions of Paragraph 8, "Vacation Pay," above, the following additional vacation provisions shall apply to Librarians who meet the following necessary eligibility requirements:

(a) Eligibility Requirements

Eligible employees shall be those employees who actually worked for Producer for twelve (12) consecutive "eligible" years, with an aggregate of not less than 2,400 "straight time" days worked with Producer in such twelve (12) 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.

Any tax year in which the employee actually works less than one hundred (100) "straight time" days for Producer shall be excluded in computing

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the required twelve (12) "eligible" tax years, and the "straight time" days worked in such year shall not be counted in computing the required aggregate 2,400 "straight time" days to be worked in such twelve (12) tax years.

Employees who fail to work more than one hundred (100) "straight time" days for such employer in each of any two consecutive tax years shall, at the end of such second year, be considered a new employee 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:

- (1) The period of recorded leaves of absence granted by Producer;
- (2) 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.

(b) Vacation Days and Pay

Commencing with November 1, 1960, such 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/she shall only earn additional vacation time and money, as above provided, based solely on the "straight time" days he/she worked for Producer after he/she so became eligible and within the remaining portion of such 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.

(c) 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

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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:

(1) The period of recorded leaves of absence granted such employee by Producer;

(2) 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/her while employed by Producer.

(d) Eligibility Credit

For the purpose 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.

60. NIGHT PREMIUMS

Work time shall be paid for according to the following schedule:

<u>Hours Worked Between</u>	<u>Night Premium Rate</u>
Midnight and 1:00 a.m.	110% of hourly rate*
1:00 a.m. and 6:00 a.m.	120% of hourly rate*

*hourly rate = weekly salary divided by 43.2

**VIII. WAGE SCALES, HOURS OF EMPLOYMENT AND
WORKING CONDITIONS FOR LOW BUDGET FILMS**

61. LOW BUDGET FILMS

(a) Scope

(1) This Paragraph 61 shall apply only to theatrical motion pictures whose final cost initially is estimated in writing (as described in subparagraph (b)(1) below) to be \$24,000,000 (\$27,000,000 effective February 16, 2003; and \$29,500,000 effective February 15, 2004) or less and whose final estimated cost (as described in subparagraph (b)(2) below) does not exceed \$24,000,000 (\$27,000,000 effective February 16, 2003; and \$29,500,000 effective February 15, 2004). In the event the final estimated cost exceeds \$24,000,000 (\$27,000,000 effective February 16, 2003; and \$29,500,000 effective February 15, 2004), wages and benefits shall be the full amount that would otherwise be due under this Agreement.

(2) This Paragraph 61 shall not apply to any Canadian producer who produces a theatrical motion picture in Canada.

(b) Reporting

(1) The initial best estimate of final cost shall be certified by the head of production, in a form approved by the Federation, and shall be submitted to the Federation no later than ninety-six (96) hours prior to the first scoring session for any such motion picture.

(2) The final estimated cost as of release must be certified by the head of production and submitted to the Federation within thirty (30) days of release of any such motion picture.

(3) Failure to provide the final estimated cost in subparagraph (b)(2) above within thirty (30) days of release shall result in an automatic upgrade to full scale for all wages and benefits provided by this Agreement regardless of the budget of the picture.

(4) Submission of any estimate of final cost (under subparagraph (b)(1) or (b)(2) above) that is materially false shall result in an automatic upgrade to the full scale wages and benefits that otherwise would have been due under this Agreement plus a fifty percent (50%) penalty (based on full scale).

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(c) Conditions

All the provisions of this Agreement shall also apply to Low Budget Films, except as specifically set forth below:

(1) Calls

All musicians shall be notified when they are initially engaged hereunder that the terms of such engagement shall be governed by the "Low Budget" provisions.

(2) Basic Scale

(i) Recording Musicians

(A) Real Time Rates

	2/17/02	2/16/03	2/15/04
Basic scale per hour (3 hour minimum)	\$ 54.81	\$ 56.45	\$ 58.15
3 hour minimum	164.43	169.36	174.44

(B) Electronic Multi-Tracking Rates

	Per musician, per hour		
	2/17/02	2/16/03	2/15/04
One musician employed under EMT rates:	\$207.04	\$213.25	\$219.65
Two or more musicians employed under EMT rates:	182.70	188.18	193.83

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(ii) (A) Orchestration Rates

	2/17/02	2/16/03	2/15/04
13 lines	\$20.44	\$20.44	\$20.44
20 lines	26.28	26.28	26.28
25 lines	29.43	29.43	29.43
30 lines	32.62	32.62	32.62
35 lines	35.84	35.84	35.84
40 lines	39.01	39.01	39.01
45 lines	42.84	42.84	42.84
50 lines	45.67	45.67	45.67
over 50 lines	47.19	47.19	47.19
Hourly rate	32.73	32.73	32.73
Hourly rate for midi/data files	32.73	32.73	32.73
Takedown/lead sheet page	16.45	16.45	16.45

(B) Health Plan contributions shall be paid in accordance with the following formula:

	ORCHESTRATORS	COPYISTS
Effective 2/17/02	Wages/\$19.78 = hours Hours x \$1.295 = contribution	Wages/\$12.83 = hours Hours x \$1.295 = contribution
Effective 8/3/03	Wages/\$19.78 = hours Hours x \$1.495 = contribution	Wages/\$12.83 = hours Hours x 1.495 = contribution
Effective 2/15/04	Wages/\$19.78 = hours Hours x \$1.495 = contribution	Wages/\$12.83 = hours Hours x \$1.495 = contribution

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(iii) Music Preparation

(A) Copyists - Regular

	2/17/02	2/16/03	2/15/04
Parts			
Single Line	\$ 4.04	\$ 4.04	\$4.04
Single line, transposed	6.08	6.08	6.08
Divisi or chorded	6.08	6.08	6.08
Divisi or chorded transposed	9.09	9.09	9.09
Keyboard			
Harp, organ, guitar, piano, etc.	6.92	6.92	6.92
Plus melody (vocal) cue	10.32	10.32	10.32
Plus orchestral cues - separate staves	10.96	10.96	10.96
Two stave with orchestral cues	11.71	11.71	11.71
Adding Chord Symbols			
Single stave	1.29	1.29	1.29
Multistave	1.29	1.29	1.29
Adding Electronic Symbols			
Single stave	1.68	1.68	1.68
Multistave	0.90	0.90	0.90
Vocal			
Choir - 1 set lyrics	7.73	7.73	7.73
Lead sheet - 1 set lyrics	6.99	6.99	6.99
Song copy - 3 stave 1 set lyrics	8.51	8.51	8.51
Additional lyrics - per set (English)	1.02	1.02	1.02
Additional lyrics - per set (Foreign)	1.30	1.30	1.30
Single voice line with one set lyrics	5.73	5.73	5.73
Conductor Parts			
Lead line only - with worded cues	6.92	6.92	6.92
Lead line with notated instrumental cues	9.05	9.05	9.05
Harmonically complete from sketch	10.84	10.84	10.84
Harmonically complete from score	12.69	12.69	12.69
Adding bar numbers	0.66	0.66	0.66

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(B) Copyists - Dup

	2/17/02	2/16/03	2/15/04
Parts			
Single Line	\$ 8.08	\$ 8.08	\$ 8.08
Single line, transposed	12.16	12.16	12.16
Divisi or chorded	12.16	12.16	12.16
Divisi or chorded transposed	18.18	18.18	18.18
Keyboard			
Harp, organ, guitar, piano, etc.	13.84	13.84	13.84
Plus melody (vocal) cue	20.64	20.64	20.64
Plus orchestral cues - separate staves	21.92	21.92	21.92
Two stave with orchestral cues	23.42	23.42	23.42
Adding Chord Symbols			
Single stave	2.58	2.58	2.58
Multistave	2.58	2.58	2.58
Adding Electronic Symbols			
Single stave	3.36	3.36	3.36
Multistave	1.80	1.80	1.80
Vocal			
Choir - 1 set lyrics	15.46	15.46	15.46
Lead sheet - 1 set lyrics	13.98	13.98	13.98
Song copy - 3 stave 1 set lyrics	17.02	17.02	17.02
Additional lyrics - per set (English)	2.04	2.04	2.04
Additional lyrics - per set (Foreign)	2.60	2.60	2.60
Single voice line with one set lyrics	11.46	11.46	11.46
Master Rhythm			
	20.62	20.62	20.62
Conductor Parts			
Lead line only - with worded cues	13.84	13.84	13.84
Lead line with notated instrumental cues	18.10	18.10	18.10
Harmonically complete from sketch	21.68	21.68	21.68
Harmonically complete from score	25.38	25.38	25.38
Adding bar numbers	1.32	1.32	1.32

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(iv)

	2/17/02	2/16/03	2/15/04
Librarian			
Non-playing/playing over 8 hours	\$186.69	\$186.69	\$186.69
Overtime over ½ hour	17.51	17.51	17.51

(v)

	2/17/02	2/16/03	2/15/04
Proofreading, per hour, no minimum	\$ 26.12	\$ 26.12	\$ 26.12

(vi)

	2/17/02	2/16/03	2/15/04
Minimum Call (Copyist)	\$ 72.31	\$ 72.31	\$ 72.31

(vii)

	2/17/02	2/16/03	2/15/04
Sound Consultant (per hour)	\$ 47.84	\$ 49.28	\$ 50.76
Time Rate (per hour)	17.91	18.45	19.00
H&W (1 hour of contribution for each earned)	13.21	13.61	14.02

(3) Vacations

Paragraph 8, "Vacation Pay," does not apply to amounts earned under this Paragraph 61.

(d) Soundtrack Albums for Pressings of 25,000 Units or Less

With respect to any soundtrack record for pressings of 25,000 units or fewer that includes sound track from a theatrical motion picture produced under this Paragraph 61 (or the low-budget provisions previously in effect) with an initial

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final cost estimate and final estimated cost of \$15,000,000 or less, the Producer may elect to compensate musicians who rendered services in making the original sound track in accordance with the following provisions:

- (1) Upon release of the record, an amount equal to twenty-five percent (25%) of the scale wages (plus AFM Employers' Pension Fund contributions*) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement;
- (2) An amount equal to an additional twenty-five percent (25%) of the scale wages (plus AFM Employers' Pension Fund contributions*) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement for pressings in excess of 25,000;
- (3) An amount equal to an additional fifty percent (50%) of the scale wages (plus AFM Employers' Pension Fund contributions*) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement for pressings in excess of 50,000; and
- (4) An amount equal to an additional twenty percent (20%) of the scale wages (plus AFM Employers' Pension Fund contributions*) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement for pressings in excess of 100,000.

* Producers shall not be obligated to make any Health Plan payments.

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FILM MUSICIANS SECONDARY MARKETS FUND AGREEMENT

THIS AGREEMENT is made as of the 16th day of February, 2002, by and between the Alliance of Motion Picture & Television Producers, Inc., for and on behalf of the companies named herein, and such other of its member companies as shall hereafter agree to contribute to the fund referred to hereafter (individually called "Producer" and collectively called "Producers"), the undersigned administrator ("Administrator") of the Film Musicians Secondary Markets Fund ("Secondary Markets Fund"), and the American Federation of Musicians of the United States and Canada ("Federation").

WITNESSETH:

A. Heretofore, the Association of Motion Picture and Television Producers, Inc. (the "Association"), as agent for certain of the "Producers," executed and delivered a "Special Payments Agreement" (the "1972 Special Payments Fund Agreement") pursuant to its undertaking so to do as provided in the AFM Basic Television and Motion Picture Agreement of 1972 and the AFM Basic Television Film Agreement of 1972.

B. It is the intention of the parties hereto to enter into an agreement which, as to such parties, continues the arrangement provided for in the 1972 Special Payments Fund Agreement and which contains the same terms and conditions as are in such 1972 Special Payments Fund Agreement, but renames the Fund as the "Film Musicians Secondary Markets Fund."

C. Each Producer, by its duly authorized agent, the Alliance of Motion Picture & Television Producers, Inc., has executed and delivered this Agreement pursuant to its undertaking so to do as provided by AFM Basic Theatrical Motion Picture Agreement of 2002 (the "Basic Theatrical Agreement") and AFM Basic Television Film Agreement of 2002 (the "Basic Television Agreement"), simultaneously herewith entered into by the Federation.

D. Each Producer by executing and delivering this Agreement assumes the duties and obligations to be performed and undertaken by each such Producer hereunder. The Administrator has been designated collectively by the

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Producers, who have requested it to assume and perform the duties of the Administrator hereunder and it is willing to do so in the manner prescribed herein.

NOW, THEREFORE, in consideration of the promises, of the mutual covenants herein contained, of the undertakings assumed by each Producer, and of the undertakings assumed herein by the Administrator at the request of the Producers, it is agreed as follows:

1. (a) There are incorporated herein and made a part hereof, as though fully set forth herein, Articles 15 and 16 of the Basic Theatrical Agreement and Article 14 of the Basic Television Agreement (the "Operative Articles").

(b) Subject to Paragraph 2(c) hereof, each Producer shall make payments to the Administrator called for in the Operative Articles.

(c) Each Producer, on or before sixty (60) days after the end of the calendar quarter, will pay to the Administrator such portion of the aforesaid payments as may have accrued pursuant to the terms of the Operative Articles during the preceding calendar quarter. Each payment hereunder shall be accompanied by reports required by the Operative Articles. A Producer who is delinquent in any payment hereunder for more than sixty (60) days after written notice from the Secondary Markets Fund shall pay both the amount due and liquidated damages in the amount of ten percent (10%) per annum (.833% per month), calculated from the date of delinquency.

The foregoing provision shall not apply in the following circumstances:

(i) for residuals payable in connection with the purchase of libraries. The Producer shall give notice to the Secondary Markets Fund in such cases. The Producers shall assist the Secondary Markets Fund in its endeavor to obtain compliance with any residual obligations which accrued prior to that date of the purchase. The Secondary Markets Fund shall cooperate with the Producer in furnishing records or verifying previous payments to enable the Producer to begin making residual payments accruing on and after the date of the purchase as expeditiously as possible.

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(ii) in the case of underpayments caused by the omission of one (1) or more musicians from the B Form or OMR;

(iii) in the event of a *bona fide* dispute between the Producer and the Federation and/or the Secondary Markets Fund as to whether, or the extent to which, payments are owed to the Secondary Markets Fund. In such event, there will be no late payment charges during the pendency of the dispute provided that the Producer pays the undisputed amount on time.

(d) All payments and supporting documentation and any other communications from each Producer to the Administrator shall be sent to the Administrator at its office at 12001 Ventura Place, 5th Floor, Studio City, CA 91604.

2. (a) The Administrator accepts the duties hereby assigned to it and shall establish the proper administrative machinery and processes necessary for the performance of its duties hereunder.

The Administrator each year shall, as soon as practicable after the end of the Secondary Markets Fund's fiscal year (March 31st) distribute the musicians' share of the Secondary Markets Fund (as defined in the Operative Articles). Each participating musician shall receive such amounts as are designated as payable to him/her in the Operative Articles and, in determining said amount, the Administrator shall determine that part of the musicians' share of the Secondary Markets Fund allocable to each theatrical motion picture covered by the Operative Articles.

In the event of the death of a musician entitled to a distributive share hereunder, the Administrator shall distribute such share to the beneficiary designated by such musician on a form provided by the Administrator for such purpose or, if no such beneficiary be so designated, then to the surviving spouse of such musician; or if there be no such person, to the musician's estate.

(b) The Producers, individually and collectively, hereby irrevocably designate the Administrator as their agent to pay from the Producers' share of the Secondary Markets Fund any Social Security tax, federal and/or state unemployment insurance tax, other employment taxes, disability insurance premiums, and/or worker's compensation premiums, which may be owing by the

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Producer individually and/or collectively, as employer or employers, with respect to the distribution of the musicians' share of the Secondary Markets Fund.

(c) Notwithstanding any other provision of this Agreement to the contrary, the Administrator shall refund to each Producer that part of the Producer's payment to the Secondary Markets Fund representing a part or all of said Producer's portion of the total employer taxes and insurance premiums which may be payable under the Operative Articles and this Agreement with respect to the distribution of the musicians' share of the Secondary Markets Fund, which the Producer, at the time it makes its annual payment to the Secondary Markets Fund, may request be refunded to it, or which must be paid by the Producer, and not the Secondary Markets Fund, to the relevant government agency or authority pursuant to any law, rule, regulation, ruling or other communication of any government agency or authority. Any such refund, and all reports, returns, information or other material, completed in proper form for reporting or filing, which is necessary for payment, and reporting or filing with respect thereto, of any such employer taxes or insurance premiums to the relevant government agency or authority by each Producer shall be transmitted to each Producer by the Administrator so as to enable the Producer to timely, accurately and completely make such payments and reports or filings. If a refund is made to a Producer under this Paragraph 2(c), the Administrator shall not be responsible for payment of said Producer's employer taxes or insurance premiums payable under the Operative Articles and this Agreement with regard to the distribution of the musicians' share of the Secondary Markets Fund with respect to which the refund is made. Should any government agency or authority require information, returns, reports or other material in regard to employer taxes or insurance premiums payable with respect to any distribution of the musicians' share of the Secondary Markets Fund to be filed or reported by any Producer, rather than the Secondary Markets Fund, (even though payment of such employer taxes or insurance premiums is made by the Secondary Markets Fund), or should any Producer request that it, rather than the Secondary Markets Fund, file or report such information, returns, reports or other material, the Administrator shall transmit to the Producer all such reports, returns, information or other material, completed in proper form for reporting or filing, so as to enable the Producer to make such filing or reporting timely, completely and accurately.

For purposes of this Paragraph 2(c), the term "Producer" shall include any party which has undertaken, pursuant to the Operative Articles, a Producer's obligation to make payments to the Secondary Markets Fund and any

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other party which has acted as agent on behalf of a Producer with respect to payment to the Secondary Markets Fund.

(d) The Federation has agreed to furnish to the Administrator, and to cause its local unions to furnish to the Administrator, all data in the possession or subject to the control thereof which is necessary and proper to assist in the orderly and accurate distribution to musicians as provided herein, and to request the Trustees of the American Federation of Musicians and Employers Pension Fund to do likewise upon reimbursement of all costs reasonably incurred thereby in so doing.

(e) The Administrator shall indemnify and hold the Producers harmless out of the Secondary Markets Fund against any liability for making any of the payments to the musicians under Paragraph 2(a) hereof or any payments of employment taxes and insurance premiums which may be required to be made by the Administrator under Paragraph 2(c) hereof, it being the express intent of the parties that all such payments are to be made out of the Secondary Markets Fund with no further cost or expense of any kind whatsoever to the Producers. Without limitation of the foregoing, the Administrator also shall furnish a surety bond with a responsible surety company satisfactory to the Producers and to the Federation, to guarantee the full and faithful performance of its duties as herein described.

(f) In making distribution to musicians hereunder, the Administrator shall clearly and legibly display the following legend on all checks, vouchers, letters or documents of transmittal: "This is a special payment to you by the Motion Picture and Television Producers who are operating under the AFM Basic Theatrical Motion Picture Agreement, as amended, negotiated by the American Federation of Musicians," and/or "This is a special payment to you by the Motion Picture and Television Producers who are operating under the AFM Basic Television Motion Picture Agreement negotiated by the American Federation of Musicians."

(g) If a musician for whom a distributive share has been set apart cannot be found or if payment under this Agreement has been tendered but is not completed after efforts which the Administrator deems reasonable, the Administrator shall add such share ("unclaimed share") to a reserve account and hold the same pending receipt of claim until the end of the third fiscal year after the date on which such share was first payable. Thereafter, the unclaimed share shall be redeposited in the musicians' share of the Secondary Markets Fund as defined

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in the Operative Articles for distribution as provided in Paragraph 2(a). If, subsequent to the redeposit of such unclaimed share, the musician asserts a valid claim with respect to such unclaimed amount, the Administrator shall pay such claim ("Past-Year's Claim") and such payment shall be deemed an expense of the Secondary Markets Fund.

(h) Any payments otherwise due to musicians which shall be less than ten dollars (\$10.00) shall be regarded as "de minimis" ("de minimis amounts") and shall be added to a reserve account. Provided that, when the de minimis amount(s) so deposited to a musician's credit, when added to any current distribution due such musician, equals or exceeds the sum of ten dollars (\$10.00), said de minimis amount(s) shall be added to such current distribution and paid to such musician.

3. (a) In the event that any Producer shall default in the payment of any sums to the Administrator when the same shall become due pursuant to this Agreement, the Administrator shall have the duty, right and power forthwith to commence action or to take any other proceedings as shall be necessary for the collection thereof, including the power and authority to compromise and settle with the Federation's consent. The Administrator's reasonable expenses, attorneys' fees and other disbursements incurred in the collection of any overdue sums shall be paid to the Administrator by the Producers so defaulting and such payment shall be added to the Secondary Markets Fund.

(b) Nothing contained herein shall create any cause of action in favor of any musician as defined in the Basic Theatrical Agreement or in the Basic Television Agreement against any Producer but the Federation may enforce distribution of the musicians' share of the Secondary Markets Fund on behalf of the individual musicians.

(c) The Administrator shall deposit all money and property received by it, with or without interest, with any bank or trust company, insured by the Federal Deposit Insurance Corporation and having capital, surplus and undivided profits exceeding Five Million Dollars (\$5,000,000); provided, however, that in the event that Canadian dollars are receivable by the Administrator and it is not feasible or desirable to convert such Canadian dollars into United States funds, such Canadian funds and any securities purchased therewith may be deposited in the Chartered Bank of the Dominion of Canada, anything herein to the contrary notwithstanding. Except as modified by the provisions of Paragraph 3(d) hereof, the Administrator shall have

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the right and power to invest and reinvest the said money and property only in short term investments (not to exceed one year in duration), in bonds and other direct obligations of the United States of America and of the Dominion of Canada, high grade commercial paper, insured bank certificates of deposit, and commingled investment funds managed by banks or trust companies for which the Administrator or some other party may be engaged as investment manager for a reasonable fee. Such investments may be made without regard to the proportion which any such investment or investments may bear to the entire amount of the Secondary Markets Fund and to sell, exchange and otherwise deal with such investments as to the Administrator may seem desirable.

(d) In connection with the collection of any sums due to it hereunder, the Administrator may consent to and participate in any composition of creditors, bankruptcy, reorganization or similar proceedings, and in the event that as a result thereof the Administrator shall become the holder of assets other than money, obligations to pay money conditioned only as to the time of payment, or property of the class specified in Paragraph 3(c) hereof (which assets are in this subsection (d) called "property"), the Administrator may consent to and participate in any plan of reorganization, consolidation, merger, combination, or other similar plan, and consent to any contract, lease, mortgage, purchase, sale or other action by any corporation pursuant to such plan and accept any property which might be received by the Administrator under any such plan, whether or not such property is of the class in which the Administrator, by Paragraph 3(c) hereof, is authorized to invest the Secondary Markets Fund; the Administrator may deposit any such property with any protective, reorganization or similar committee, delegate discretionary power thereto, and pay part of its expenses and compensation and any assessment levied with respect to such property; the Administrator may exercise all conversion, subscription, voting and other rights of whatsoever nature pertaining to any such property, and grant proxies, discretionary or otherwise, in respect thereof and accept any property which may be acquired by the Administrator by the exercise of any such rights, whether or not such property is of the class in which the Administrator, by Paragraph 3(c) hereof, is authorized to invest the Secondary Markets Fund. Anything to the contrary contained in this Paragraph 3(d) notwithstanding, the Administrator shall reasonably endeavor to dispose of any such property in order that the Secondary Markets Fund, to the fullest extent possible, at all times shall be comprised as specified in Paragraph 3(c) hereof.

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(e) Parties dealing with the Administrator shall not be required to look to the application of any monies paid to the Administrator.

(f) Provided that the Administrator exercises due diligence and the highest standard of professional conduct in performing duties for the Secondary Markets Fund, the Administrator will not be liable for any loss or damage resulting from anything done or omitted in good faith, nor shall the Administrator be subject to any personal liability for monies received and expended in accordance with the provisions of this Agreement. In addition to the surety bond required by Paragraph 2.(e) above, the Secondary Markets Fund will secure any insurance coverage which may be necessary or advisable by virtue of this subparagraph (f).

(g) The fiscal year of the Secondary Markets Fund shall be the twelve month period from April 1 to the next March 31. Within ninety (90) days after the end of each fiscal year, the Administrator shall furnish a statement for such fiscal year of its operations to each Producer hereto making payments to the Administrator and to the Federation. Such statements shall set forth in detail the properties and monies on hand and the operations of the Administrator during the immediately preceding fiscal year, including without limiting the details of any compromise or settlement made by the Administrator with any Producer, and such other information and data as shall be appropriate to inform fully the recipients of such statements and shall be certified by an independent certified public accountant.

(h) The Administrator, at all times without limitation to the duration of this Agreement, shall keep full and accurate records and accounts concerning all transactions involving the receipt and expenditure of monies hereunder and the investment and reinvestment thereof, all in convenient form and pursuant to approved and recognized accounting practices. Each Producer and the Federation shall have the right from time to time, without limitation to the duration of this Agreement, and at all reasonable times during business hours, to have their respective duly authorized agents examine and audit the Administrator's records and accounts for the purpose of verifying any statements and payments made by the Administrator pursuant to this Agreement, during a period not exceeding two (2) years preceding such examination. The Administrator shall afford all necessary facilities to such authorized agents to make such examination and audit and to make extracts and excerpts from said records and accounts as may be necessary or proper according to approved and recognized accounting practices.

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(i) No musician shall have any right to assign all or any portion of the payments to which such musician shall become entitled hereunder, and any attempted assignment of all or any portion of such payments shall be null and void and of no legal effect; provided, however, that the Administrator shall recognize and honor lawful assignments to the Federation of a portion of the payments to which any musician shall become entitled hereunder.

4. (a) The Oversight Committee ("Committee") will consist of one (1) or more Producer representatives (but not exceeding three (3) such representatives) appointed by the AMPTP. A representative or representatives of the AFM (but not exceeding three (3) such representatives) appointed by the AFM President shall serve as liaison(s) to the Committee and may attend all Committee meetings on a non-voting basis and review all written materials provided by the Secondary Markets Fund to the Committee that are not subject to a confidentiality agreement. Materials that are subject to a confidentiality agreement shall be available for review by only one liaison designated for that purpose by the AFM President, upon request of such liaison. Confidential materials so provided shall not be copied and shall be returned to the Secondary Markets Fund when any issues pertaining to such materials have been resolved.

The Committee will meet at periodic intervals at least annually. The Secondary Markets Fund shall pay for all reasonable expenses incurred by the Committee members and the AFM liaison(s) in carrying out the Committee's activities.

The Committee members and the AFM liaison(s) will be covered by any necessary or advisable liability insurance policy, which will be paid for by the Secondary Markets Fund.

(b) The AMPTP will have the right to replace any Producer representative(s) on the Committee by written notice to the Administrator and to the President of the AFM, and the AFM President will have the right to replace any AFM liaison(s) to the Committee by written notice to the Administrator and to the President of the AMPTP.

5. (a) The annual budget for the costs associated with the operation of the Secondary Markets Fund, including the compensation of the Administrator, shall be approved by the Committee after consultation with the AFM liaison(s). Such approval may be withheld only if the Committee reasonably determines that

EXHIBIT "A"

BASIC THEATRICAL MOTION PICTURE AGREEMENT

February 16, 2002 — February 15, 2005

the budgeted amounts with which the Committee disagrees do not in a cost-effective manner further the purposes for which the Secondary Markets Fund is maintained.

(b) The manner in which the collection and audit program are functioning will be reviewed by the Committee. Contribution and audit reports may be reviewed by the Oversight Committee and AFM liaison(s) upon their request solely for the purpose of evaluating the collection and audit program, subject to the following: (i) the members of the Committee shall be bound by any confidentiality agreements applicable to such contribution and audit reports; (ii) to the extent that such contribution and audit reports are subject to a confidentiality agreement, the Secondary Markets Fund shall make them available for review only to the AFM liaison so designated for that purpose in accordance with the provisions of Paragraph 4(a) above; and (iii) if a Producer representative of the Oversight Committee is an employee of a contributing employer, such representative may review any collection or audit reports, including those relating to contributing employers other than such representative's own employer, but only to the extent such reports do not contain confidential information with respect to such other contributing employers. Any issues as to whether information should be disclosed to such Producer representative pursuant to this subparagraph 5(b)(iii) shall be submitted to an AMPTP representative for review and advice.

6. (a) The Administrator shall be subject to removal by the Committee after consultation with the AFM liaison(s). The Administrator may resign at any time by thirty (30) days written notice to the Producers and the Federation.

(b) In the event of a vacancy for any reason in the position of the Administrator, a successor Administrator shall be appointed by the Committee after consultation with the AFM liaison(s).

(c) No Administrator or member of the Committee under this Agreement shall be a representative of labor, or of any union, or of employees within the meaning of Section 302(b) of the Labor Management Relations Act, 1947.

7. Any person, firm, corporation, association or other entity may apply to become an additional Producer to this Agreement by executing and delivering to the Administrator three (3) counterparts of Schedule I hereto attached. The

EXHIBIT "A"

BASIC THEATRICAL MOTION PICTURE AGREEMENT

February 16, 2002 — February 15, 2005

Administrator shall indicate acceptance of such application by appropriately completing such application, executing three (3) counterparts, and delivering one (1) such counterpart to such additional Producer at the Administrator's office in Studio City, California and one (1) such counterpart to the Federation. The Administrator shall forthwith advise the Federation of the execution and delivery of such agreement, and regularly advise all other Producers thereof.

8. This Agreement shall be governed, construed and regulated in all respects by the laws of the State of California; however, New York law shall continue to apply with respect to matters relating to audit reports issued by the Secondary Markets Fund before February 16, 2002.

EXHIBIT "A"

BASIC THEATRICAL MOTION PICTURE AGREEMENT

February 16, 2002 — February 15, 2005

DECLARATION REGARDING INCOME TAX WITHHOLDING

Musicians Employed by the Day

I, _____ declare:
(Your Name)

1. That _____ is the only employer for whom I am working during the calendar week commencing on _____, 19____.

2. That should I hereafter secure additional employment for wages during said calendar week, I will notify the above-named employer of said fact within ten (10) days after the beginning of said additional employment.

3. That it is my desire to have my federal income taxes withheld on a weekly rather than daily schedule pursuant to Internal Revenue Service Tax Regulation Section 31.3402(b)- (1)(d)(2).

I declare under penalty of perjury that the foregoing is true and correct.

Dated: _____

Signature

EXHIBIT "B"

BASIC THEATRICAL MOTION PICTURE AGREEMENT

February 16, 2002 — February 15, 2005

SIDELETTERS

May 13, 1992
Revised as of March 23, 1994

Steve Young
President
American Federation of Musicians
1500 Broadway
New York, New York 10036

Re: Due Dates for Payments to Musicians Pursuant to Sound
Track Records Released in Connection with Motion Pictures

Dear Steve:

The purpose of this letter is to confirm the agreement reached between the parties during the course of the Joint Industry-Federation Cooperative Committee meetings held April 21-22, 1992 and August 18-19, 1993. The parties have agreed that Article 8C.(1) of the Basic Theatrical Motion Picture Agreement and Article 8C.(1) of the Television Film Agreement shall be interpreted and applied as follows:

If a Producer elects to compensate musicians who rendered services with respect to any sound track record released in connection with any theatrical motion picture and/or television film pursuant to the provisions of Article 8C.(1) through (3), then the phrase "[u]pon release of the record" in subparagraph (1) shall mean that the payment will be made no later than 45 days after the "street date" and, further, that the Producer will exert all reasonable efforts to cause the phonograph record companies to make payments to the musicians within thirty (30) days after "street date." Additionally, if the Federation obtains, in direct negotiations with the phonograph record companies, a commitment from those companies to make payments in less than thirty (30) days, that time limitation shall apply with respect to the payments due under subparagraph (1) referred to above.

Sincerely,

J. Nicholas Counter III

AGREED TO:

Steve Young
President, AFM

February 16, 2002 — February 15, 2005

SIDELETTERS

As of May 13, 1992
Revised as of February 16, 2002

Thomas F. Lee
President
American Federation of Musicians
1500 Broadway
New York, New York 10036

Re: Side Letter Agreement -- "Participating Musicians"

Dear Tom:

This will confirm the agreement of the parties with respect to the distribution to musicians of the payments made pursuant to Articles 15 and 16 of the Basic Theatrical Motion Picture Agreement. It is understood that, for purposes of distributing the musicians' share of the Secondary Markets Fund, the term "participating musician" shall include musicians to whom a new use payment is due under Article 8B. of the Theatrical Motion Picture Agreement, as evidenced by the Form B report for the live session.

Sincerely,

J. Nicholas Counter III

JNC:sjk

AGREED TO:

Thomas F. Lee
President, AFM

BASIC THEATRICAL MOTION PICTURE AGREEMENT

February 16, 2002 — February 15, 2005

SIDELETTERS

As of February 19, 1993

Mark Tully Massagli
President
American Federation of Musicians
1500 Broadway
New York, New York 10036

Dear Mark:

During the 1993 negotiations between the AFM and the Employers represented by the AMPTP, the parties agreed that the report form to the Special Payments Fund would contain certain information. Among other things, the parties agreed that the production number of the motion picture and the name of the production entity would, if available, be included in the report form.

As to those Employers represented by the AMPTP, it is understood that such information shall be considered available only if it is contained in the system which generates the Special Payments Fund report.

Sincerely,

J. Nicholas Counter III

JNC:sjk

ACCEPTED AND AGREED:

Mark Tully Massagli

February 16, 2002 — February 15, 2005

SIDELETTERS

As of February 19, 1993

Mark Tully Massagli
President
American Federation of Musicians
1500 Broadway
New York, New York 10036

Dear Mark:

Reference is made to Paragraph 4, "Health Plan," of the American Federation of Musicians Basic Theatrical Motion Picture Agreement of 1993 and the Basic Television Film Agreement of 1993, which provides in part:

"The parties hereto are parties to and bound by the provisions of the 'Agreement and Declaration of Trust establishing the I.A.T.S.E.-Basic Crafts-Guilds-Hollywood Producers-Health and Welfare Fund for the Employees of the Motion Pictures and Allied Industries,' dated as of October 20, 1952 . . . with respect to the musicians' classifications of this agreement.

* * *

"The above contributions are in accordance with the present pattern of contributions by Employers required under the Health Plan. In the event this present pattern of contributions under the Health Plan should be changed during the term of this Agreement, then the rate of contributions as provided herein shall automatically be changed to conform to such new pattern and rate of Employer's contributions established under such Health Plan."

Consistent with the above provisions, the pattern and rate of contributions to the Health Plan on behalf of musicians and the benefits provided thereunder have for many years been in conformity with those provided under the I.A.T.S.E. & M.P.M.O. Basic Agreement. The parties further recognize that the upcoming negotiations between the IATSE and the Employers represented by the AMPTP for a new IATSE Basic Agreement may result in an agreed-upon reduction or modification of benefits and/or increases in the standards for eligibility, an increase in the rate of employer contributions to the Fund, or a new requirement for a cents-per-hour employee contribution.

BASIC THEATRICAL MOTION PICTURE AGREEMENT

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SIDELETTERS

Mark Tully Massagli
February 19, 1993
Page Two

The purpose of this letter agreement is to reconfirm that -- pursuant to the above-quoted provisions -- whatever changes are negotiated and/or adopted by the Trustees of the Motion Picture Industry Health Plan, the same shall be applicable to musicians who are participants in said Health Plan.

Sincerely,

J. Nicholas Counter III

JNC:sjk

ACCEPTED AND AGREED:

Mark Tully Massagli

BASIC THEATRICAL MOTION PICTURE AGREEMENT

February 16, 2002 — February 15, 2005

SIDELETTERS

As of February 19, 1993

Mark Tully Massagli
President
American Federation of Musicians
1500 Broadway
New York, New York 10036

Dear Mark:

During the course of the 1993 negotiations for the Basic Television and Basic Theatrical Motion Picture Agreements, the AFM expressed its concern that allowing documentary programs to fall under the "news" use provision of Article 8A.(a) of the Agreements may result in reuses of music sound track not intended by the parties.

To that extent, the Producers have agreed that, with respect to documentary programs, in order to meet the "news" use requirements of Article 8A.(a), the reuse of music from a motion picture sound track must accompany the footage for which such music was originally recorded.

Sincerely,

J. Nicholas Counter III

JNC:sjk

ACCEPTED AND AGREED:

Mark Tully Massagli

BASIC THEATRICAL MOTION PICTURE AGREEMENT

February 16, 2002 — February 15, 2005

SIDELETTERS

As of February 19, 1993

Mark Tully Massagli
President
American Federation of Musicians
1500 Broadway
New York, New York 10036

Dear Mark:

During the course of the 1993 negotiations for the Basic Television Film Agreement and the Basic Theatrical Motion Picture Agreements, the parties agreed to change the language in the form "Buyer's Assumption Agreement" which appears in the "Supplemental Markets" and "Post '60 Theatrical Motion Pictures" provisions of those Agreements.

This letter will reaffirm that our mutual intention in making those modifications was to confirm the parties' longstanding, mutually agreed-upon interpretation of those provisions.

Sincerely,

J. Nicholas Counter III

JNC:sjk

ACCEPTED AND AGREED:

Mark Tully Massagli

BASIC THEATRICAL MOTION PICTURE AGREEMENT

February 16, 2002 — February 15, 2005

SIDELETTERS

As of February 19, 1987

J. Martin Emerson
President
American Federation of Musicians
1500 Broadway
New York, New York 10036

Dear Martin:

If, during the term of this Agreement, the Producers negotiate modifications of the Supplemental Markets provisions of the Directors Guild of America Basic Agreement, the Writers Guild of America Theatrical and Television Basic Agreement and the Producer-Screen Actors Guild Codified Basic Agreement, then the Producers may, upon thirty (30) days written notice to the Federation, reopen the Supplemental Markets provisions of the AFM Basic Film Television Agreement and the AFM Basic Theatrical Motion Picture Agreement.

Sincerely,

J. Nicholas Counter III

JNC:sjk

ACCEPTED AND AGREED:

J. Martin Emerson

February 16, 2002 — February 15, 2005

SIDELETTERS

As of March 23, 1994

Steve Young
President
American Federation of Musicians
1500 Broadway
New York, New York 10036

**Re: Pro Rata Formula for Post '60s and Supplemental Markets
Payments when Scoring Takes Place Partly in the U.S. and/or
Canada and Partly Outside the U.S. and Canada**

Dear Steve:

This will confirm that the formula for determining percentage payments into the Special Payments Fund, as set forth in Article 15(b)(i)(6) and Article 16(b)(i)(5) of the AFM Basic Theatrical Motion Picture Agreement of 1996, shall also apply in the following circumstances:

Post '60's and/or Supplemental Markets payments which were due for any motion picture prior to May 1, 1992 may be prorated in accordance with the formula set forth in the above-mentioned Articles, provided that such picture satisfies the criteria for prorating set forth therein and, provided further, that such payments had not, prior to the effective date of this letter agreement, been remitted to the Special Payments Fund at the full one percent (1%) rate. (Post '60's and/or Supplemental Markets payments which were due for a motion picture prior to May 1, 1992 may not be prorated, even if the picture satisfies the criteria for proration, if such payments had been remitted to the Special Payments Fund at the full one percent (1%) rate.)

The Producer may also prorate Post '60's and/or Supplemental Markets payments due after May 1, 1992 on any motion picture in accordance with the formula set forth in the above-mentioned Articles with respect to a motion picture which meets the criteria for proration set forth in the above-mentioned Articles.

If, prior to the effective date of this agreement, the Producer has made any payment in excess of the amount that would have been required under the proration formula set forth in the

BASIC THEATRICAL MOTION PICTURE AGREEMENT

February 16, 2002 — February 15, 2005

SIDELETTERS

Steve Young
As of March 23, 1994

above-mentioned Articles, it shall not be entitled to a refund of such excess amount, nor shall it be entitled to an offset or credit against any other payments due pursuant to the Post '60's and Supplemental Markets provisions.

Sincerely,

J. Nicholas Counter III
President

ACCEPTED AND AGREED:

Steve Young
President, AFM

BASIC THEATRICAL MOTION PICTURE AGREEMENT

February 16, 2002 — February 15, 2005

SIDELETTERS

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BASIC THEATRICAL MOTION PICTURE AGREEMENT

February 16, 2002 — February 15, 2005

BASIC THEATRICAL MOTION PICTURE AGREEMENT
LOW BUDGET PICTURES

- THE LOW BUDGET FILM RATES ARE AVAILABLE TO PRODUCERS WHOSE MOTION PICTURE PROJECTS MEET CERTAIN BUDGETARY CRITERIA.
- IN ORDER TO ENSURE THE SMOOTH PROCESS OF QUALIFYING SUCH LOW BUDGET FILMS, AN ESTIMATE OF FINAL COST MUST BE PROVIDED TO THE AFM (NATIONAL WEST COAST OFFICE) NO LATER THAN NINETY-SIX (96) HOURS PRIOR TO THE FIRST ENGAGEMENT AND FINAL ESTIMATED COST MUST BE PROVIDED WITHIN THIRTY (30) DAYS OF RELEASE.
- IN ADDITION, ALL MUSICIANS, INCLUDING THOSE PERFORMING MUSIC PREPARATION, SERVICES MUST BE NOTIFIED WHEN THEY ARE INITIALLY ENGAGED THAT THE TERMS OF SUCH ENGAGEMENT ARE GOVERNED BY THE "LOW BUDGET" PROVISIONS.
- FAILURE TO PROVIDE THE FINAL ESTIMATED COST TO THE AFM BY THE DEAD-LINE WILL RESULT IN AN AUTOMATIC UPGRADE TO THE FULL WAGES AND BENEFITS. SUBMISSION OF ANY ESTIMATE OF FINAL COST THAT IS MATERIALLY FALSE WILL RESULT IN AN AUTOMATIC UPGRADE TO THE FULL WAGES AND BENEFITS PLUS AN ADDITIONAL FIFTY PERCENT (50%) PENALTY (BASED ON FULL SCALE).
- THE ATTACHED LOW BUDGET PICTURE CHECKLIST SET FORTH THE NECESSARY INFORMATION THAT SHOULD BE PROVIDED TO THE AFM.

BASIC THEATRICAL MOTION PICTURE AGREEMENT

February 16, 2002 — February 15, 2005

LOW BUDGET PICTURE CHECKLIST

The following information should be included in your low budget request letter.

Please submit your request on your company letterhead

1. Name of picture and Production Number
2. Production Company and address
3. Contact: (Name, phone and fax numbers)
- 4.. Theatrical Motion Picture Length in hours/minutes: _____
5. Initial estimated cost - please submit budget "top sheet" with this form
6. Leader/Composer's Name
7. Contractor's Name, Phone and Fax Numbers
8. Date(s) & Location of Session(s)
9. Estimated Number of Musicians
10. Signatory of Record (if producing company is an AFM signatory) or
11. Payroll Company (i.e. Signatory of Record for the Session if producing company is not a signatory) Contact (Name, phone and fax numbers)
12. A payroll assumption agreement signed by both parties, with a **legible** signature and **name and address, and phone number** of production company
13. Buyer or Distributor of film, if known at time of session

THE SIGNED PAYROLL ASSUMPTION AGREEMENT MUST BE SUBMITTED AT LEAST NINETY-SIX (96) HOURS BEFORE THE FIRST SESSION.

Please send your request letter by fax or mail to the attention of:

The Low Budget Film Department
AFM, West Coast Office
3550 Wilshire Blvd. Suite 1900
Los Angeles, CA 90010

Phone: 213 251-4510 x 202
Fax: 213 251-4520

This checklist is intended as a guideline only and does not cover all terms and conditions pertaining to low budget films. Please refer to the agreement for complete information. Please note that the final estimated cost must be provided to the AFM within thirty (30) days of release.