

**SCREEN ACTORS GUILD
LETTER AGREEMENT FOR LOW-BUDGET THEATRICAL PICTURES**

The Terms of This Agreement are Effective July 1, 2005

TO: _____
 (Name of Production Company)

(Address)

(City) (State) (Zip)

PICTURE TITLE: “ _____ ”

Dear Producer:

You have advised us that you desire to produce a Low-Budget Theatrical Picture tentatively entitled (as listed above) and herein called _____ "the Picture". The Screen Actors Guild (hereinafter "SAG" or "the Guild") has agreed on a trial basis to modify, to the extent hereafter set forth, certain of the terms and provisions of the current Screen Actors Guild Agreement for Independent Producers of Theatrical Motion Pictures (hereinafter "Basic Agreement") with respect to the employment of Performers in low-budget theatrical pictures as herein defined. You have advised us that the Picture you desire to produce is within such definition, that you desire to produce said picture as a Guild signatory under the current Basic Agreement.

IT IS THEREFORE AGREED BETWEEN US AS FOLLOWS:

1. Acceptance as Signatory Producer

Upon signing this Agreement and its acceptance by the Board of Directors of the Guild, you will be signatory to the current Basic Agreement.

2. Definition of a Low-Budget Picture

For the purposes of this Agreement, a Low-Budget Theatrical Picture is defined as a feature-length motion picture (not less than 80 minutes), filmed entirely within the United States, with an initial theatrical release and at a total production cost not exceeding \$ 2,500,000. "Total Production Cost" shall mean all "above" and "below the line" costs, including any deferred compensation. Prior to the execution of this Agreement, you shall submit to the Guild a complete, accurate and detailed budget, the shooting script, the shooting schedule, the screenplay copyright ownership and registration documentation and any other relevant information, which the Guild may require to verify your representations with regard to the Picture. The terms of this Agreement shall not apply to animation projects.

3. Diversity in Casting Incentive

The total production cost maximum, as referenced in section 2 above, may be increased to \$ 3,750,000 if

Producer has demonstrated diversity in casting by meeting the following criteria:

- A) A minimum of 50% of the total speaking roles and 50% of the total days of employment are cast with Performers who are members of the following four (4) protected groups:
 - 1) Women
 - 2) Senior Performers (sixty (60) years or older)
 - 3) Performers with Disabilities
 - 4) People of Color (Asian/Pacific Islander, Black, Latino/Hispanic and Native American Indian) and;

- B) A minimum of 20% of the total days of employment is cast with performers who are People of Color.

For purpose of clarification: A motion picture with a cast of ten (10) speaking roles shall have at least five (5) Performers from any or all of the protected groups and two (2) of whom shall be People of Color. Under no circumstances shall an individual be counted in more than one category.

4. Minimum-Salaries

- A) Each Performer employed in the picture shall be paid not less than the applicable Screen Actors Guild Low-Budget Theatrical minimums as set forth below:

Schedule of minimums

Day Performer	\$ 504.00
Daily Stunt Performer	504.00
Weekly* Performer	1,752.00
Weekly* Stunt-Performer	1,880.00

Stunt Coordinators

Rates for Daily, Weekly and “Flat Deal” Stunt Coordinators track the rates in Schedule K-I , K-II or K-III of the Basic Agreement that are current at the time of photography.

Daily Singer Rate

Solo/Duo	\$ 544.00
Groups 3-8	478.00
Groups 9 or more	417.00
Mouthing 1-16	400.00
Mouthing 17 or more	313.00
Sweetening (with or without overdubbing)	
additional (per day)	+100%
Overdubbing only, an additional	+33-1/3%

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Three (3) to eight (8) singers - an additional one-half check	240.00
Nine (9) or more singers - an additional full check	417.00

Weekly Singer Rate

Solo/duo	\$ 1,752.00
Group 3-8	1,607.00
Groups 9 or more	1,461.00
"Step Out" (per day) - up to 15 cumulative bars	272.00
"Step Out" (per day) - 15 + cumulative bars or, if detained 1 hour + after group released, to perform a solo or duo of any length	544.00

Contractor Rate

3 to 8 singers	803.00
9 or more singers	1,461.00

Dancers Employed by the day

Solo and duo	\$ 504.00
Group 3-8	442.00
Group 9 or more	386.00
Rehearsal	297.00

Dancers employed by the 5-day week

Solo and duo	\$ 1,621.00
Group 3-8	1,487.00
Group 9 or more	1,352.00

Airplane Pilots Rate

Studio Rates:

Daily	\$ 673.00
Weekly	1,880.00

Location Rates:

Daily (Includes taxiing) and flying	877.00
Weekly*	1,880.00
Weekly taxiing/flying daily adjustment	579.00

***NOTE:** The above weekly rates apply to the five (5) day "studio week" only. For a six day "overnight location week", the Performer shall automatically receive an additional four (4) hours overtime at "straight time" rates. The weekly rate stated on the employment contract shall be the five (5) day "studio week" rate whether an overnight location is involved or not. All overtime shall be computed on the five (5) day "studio week" rate.

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- B) All overtime money breaks and schedule breaks in the current Basic Agreement, are applicable to Performers employed under this Agreement.
- C) All payments shall be made by check, payable to the order of the individual Performer entitled thereto and delivered to the Guild. Each check must be accompanied by a separate written statement indicating dates worked, overtime, adjustments, reimbursements, tax deductions and name and address of the Performer's "employer of record". At the discretion of the nearest Screen Actors Guild office, signed payroll sheets or slips and photocopies of the checks sent to the Performers shall be delivered instead.
- D) The first thirty (30) Background Actors each day shall be employed under the terms of Schedules X-I and X-II of the current Basic Agreement. Such Background Actors shall be given preference in placement within scenes and for any work requiring additional payment. All compensation for such Background Actors shall be paid in accordance with Schedules X-I and X-II of the current Basic Agreement. This Section D, does not apply to any work that takes place outside of the background actor zones defined in Schedules X-I and X-II.

5. Overtime Premium Pay and Penalties

Premium pay and penalties shall be computed and paid to all Performers as provided in the current Basic Agreement and shall be based on the Performer's contractual salary. However, all daily overtime for Day Performers and Weekly Performers (but not for Background Actors) through the 12th hour of the Performer's day shall be paid at time and one-half the straight time rate. Daily overtime beginning with the 13th work hour shall be paid at double the straight time rate.

6. Waiver for 6th Day Shooting Schedules

Provided each Performer is given at least thirty-six (36) consecutive hours off in seven (7) days and subject to each Performer's written consent, a Performer may be called for work on a sixth day of work without the payment of a premium. Provided, that Performer is paid not less than an additional day's pay (one fifth of the weekly rate for a Weekly Performer) for each such sixth day. The sixth day for both Day Performers and Weekly Performers shall be limited to eight (8) consecutive straight time hours. Any time worked beyond the eighth hour on the sixth day shall be paid at the overtime rates described in section 5 above.

7. Consecutive Employment

Subject to each Performer's written consent, which must be given prior to commencement of employment, the Guild waives the application of its consecutive employment rules for Day Performers and Weekly Performers; however, Weekly Performers must be employed and paid in units of no less than one full week. Additional days in any final partial workweek for a Weekly Performer may be pro-rated at 1/5th of the weekly base rate for each day from commencement of the Performer's work in such workweek until Performer's final dismissal. Subject to the foregoing, Weekly Performers may be dismissed and recalled without payment for intervening days. In exchange for this waiver, you agree to waive your right to exclusive services of the Performer during photography. Scheduling shall be subject to each Performer's availability.

Notwithstanding the provisions of this Section, any Performer who is not returned to his/her residence shall be paid for each day not returned (whether worked or not) in accordance with the appropriate continuous employment provisions in the Basic Agreement.

8. Rehearsal Payments

All time worked, including overtime, on days involving rehearsal only (no other work) shall be paid at straight time rates under this agreement.

9. Travel

- a) The applicable travel provisions of the Basic Agreement are modified as follows: A performer shall be deemed to be on an "overnight location" when it is necessary for the performer to remain away from his/her residence overnight for one or more nights, regardless of the location of the producer's base.
- b) Whenever the performer is required to travel away from his/her principal place of residence for whatever purpose, compensation for time spent in travel shall be paid by Producer in addition to transportation expenses and per diem. Producer must furnish lodging and per diem to the performer until the performer is returned to the original place of departure.
- c) Except as modified herein, when Producer is required to provide transportation for a Performer all applicable provisions of the Basic Agreement shall apply, except when air travel is required, Producer may travel a Performer in coach class on a commercial airline. Notwithstanding, if any member of the production staff is flown any class other than coach, all Performers must be flown in the same higher class.

10. Initial Theatrical Release Required

As indicated in Section 2 of this Agreement, an initial theatrical release of the Motion Picture is required. Except as provided below, initial release into any non-theatrical market will require "step-up" payments to performers equivalent to all terms and conditions, including consecutive employment, of the Basic Agreement in effect at the time of principal photography. However, the "step up" payments shall not be due if, after three (3) years from the end of principal photography, the picture fails to get a theatrical release and is initially released in the video/DVD, pay or free television markets. In either instance, the picture shall remain a "theatrical motion picture" for all residual purposes of the Basic Agreement, as modified herein, and shall not be reclassified as a "Made for Pay" or "Free Television" motion picture. Residuals will be due in accordance with General Provisions, Section 5.2 of the Basic Agreement.

For all internet exhibition, producer shall pay performers an aggregate sum equal to three and six-tenths percent (3.6%) of the license fee paid by the licensee for the right to exhibit such picture on the Internet.

Prior to the initial theatrical release of the Motion Picture, Producer must notify the Guild in writing, of the date, city and theater where such initial theatrical release is to take place. The notice is to be addressed to the attention of the Theatrical Contracts Department of the Branch

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where the film is signed. Failure to provide such notification shall be considered a substantial breach of this Agreement, and all minimum terms of the current Basic Agreement shall apply to the entire production.

11. Responsibilities of Producer**A) Record Keeping**

You shall maintain and submit to the Guild each week complete production records including but not limited to, production time reports and employment contracts. At the conclusion of principal photography, a Final Cast List Information Sheet shall be submitted stating the gross salaries paid thus far to all Performers and whether or not additional photography or sound recording shall be required.

B) You agree to hold at least two (2) interview sessions during the casting period at which (with or without appointments) only professional performers will be considered for the cast.

You agree to submit to the Guild at least seven (7) days prior to any submission to agents, a cast breakdown setting forth a definitive description of each character in the production and instructions for Performer submissions. Producer shall utilize an audition sign-in sheet for all auditions or interviews, as required by the Basic Agreement.

C) Pension & Health Contributions

Your contributions to the SAG-Producers Pension and Health Plans as provided in the current Basic Agreement (15.3% of all gross compensation for Performers and 15.0% for Background Actors for the period from June 10, 2009 to June 30, 2011) shall be payable at the time of production. Such payments shall be made to the SAG-Producers Pension and Health Plans concurrently with payment of such salaries to the Performer. Copies of the Pension and Health Report filed with such contributions shall be filed weekly with the nearest Guild office.

D) Social Security, Withholding Taxes, Unemployment & Disability Insurance

All compensation paid to Performers under the terms of this Agreement shall constitute wages and is subject to deductions for Social Security, Taxes and Disability Insurance. You shall make the required payments, reports and Withholding deductions with respect to such taxes and premiums. You shall also provide Unemployment Insurance for Performers employed by you.

E) Cost Report

Upon completion of principal photography, you shall submit to the Guild a detailed report of actual expenditures and other relevant materials as the Guild may require, showing actual cost of the production. In the event that the actual production costs for the Picture have exceeded \$2,500,000 (or \$3,750,000 under the Diversity in Casting Incentive), full payment of any additional sums necessary to bring each Performer's rate

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of pay in compliance with the minimum rates specified in the current Basic Agreement automatically shall become due and payable. Pension and Health contributions shall also be paid on these additional amounts.

F) Film Clips

On the request of any Performer appearing in the picture, you shall supply or make available to such Performer, no later than six (6) months following completion of principal photography, a film clip of a portion of his/her performance at actual cost.

G) Nudity

1. Prior to the first interview or audition, you or your representative will notify the Performer (or his/her representative) of any nudity or sex acts expected in his/her role.
2. During any production involving nudity or sex scenes, the set shall be closed to all persons having no business purpose in connection with the production.
3. The appearance of a Performer in a nude scene or sex scene or doubling of a Performer in such a scene shall be conditioned upon his/her prior written consent. Such consent may be obtained by letter or other writing, prior to a commitment or written contract being made or executed. If a Performer has agreed to appear in such scenes and then withdraws his/her consent, you shall have the right to double. However, consent may not be withdrawn as to scenes already photographed. Children of tender years (infants) shall not be used in nude scenes or in any scene involving an explicit sex act.
4. No still photography of nudity or sex acts will be authorized without the prior written consent of the Performer.
5. The Performer shall have advance notice of any audition involving nudity and the absolute right to have a person of his/her choice present at any audition involving nudity. Total nudity shall not be required at such auditions or interviews; the Performer shall be permitted to wear pasties and a G-string or its equivalent.
6. No filming, taping or still photography of any nude audition or nude scene shall take place prior to the commencement of principal photography.

12. General Provisions**A) Security and Assumption Agreements**

Producer agrees to execute, concurrently herewith, documents necessary to grant the Guild a first position security interest in the Picture, to secure all payments, which may be due Performers or the Guild in connection with the Picture.

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If you enter into a distribution agreement for the distribution of such Picture on Free Television or Supplemental Markets, or if you sell, transfer or assign the rights in said Picture, you shall obtain from the distributor or the purchaser, as the case may be, a Distributor's Assumption or Buyer's Assumption Agreement, in the forms set forth in the current Basic Agreement, and such Assumption Agreement shall be promptly delivered to the Guild.

Producer agrees to provide all financial assurances required by the Guild in connection with the employment of Performers hereunder.

B) Application of Current Screen Actors Guild Codified Basic Agreement for Independent Producers

Except as expressly modified herein, all terms and conditions of the current Screen Actors Guild Agreement for Independent Producers of Theatrical Motion Pictures shall apply to the engagement and performance of the Performers hereunder. It is expressly agreed that all disputes hereunder shall be subject to arbitration in accordance with Section 9 under the General Provisions of the current Basic Agreement.

C) Application of Agreement

This Agreement applies to the above-designated Picture only. It is understood that the special provisions applicable to Low-Budget pictures represented by this Agreement are experimental and designed to encourage the employment of Performers in such pictures under fair and equitable terms and conditions. If the Guild shall determine at any time that the continuance of said policy is not in the best interests of Performers, the policy may be changed or terminated with respect to any future production of Low-Budget pictures.

D) Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefits of the parties hereto, their respective successors and assigns.

E) Acknowledgement

The Producer agrees that the credits shall include the following statement: "Special thanks to Screen Actors Guild". Producer shall include the SAG logo or union bug in the credits of the Picture. Contact your Business Representative at the local SAG branch for artwork.

Your signature in the space provided below will indicate your agreement to the provisions hereof.

Very truly yours,

SCREEN ACTORS GUILD

By: _____

Title: _____

ACCEPTED AND AGREED TO:

By: _____
(Signature)

Date: _____

(Print Name/Title)

For: _____
(Company)

revised as of 6/11/09EM