

NON-STANDARD TELEVISION (PAY-TV) AGREEMENT

FEBRUARY 1, 2002 — JANUARY 31, 2005

American Federation of Musicians
of the United States and Canada
1501 Broadway/Suite 600
New York, N.Y. 10036

Gentlemen:

This Agreement sets forth the terms and conditions, including those set forth in Exhibits I, II, III and IV, hereto attached, pursuant to which persons covered by this agreement may be employed by Employer, (hereinafter "us" and "Employer" are interchangeable), during the period commencing February 1, 2002 and expiring midnight January 31, 2005, in the production of programs which embody musical performances by instrumental musicians and/or pictures of such musicians rendering musical performances, which programs are intended for Non-Standard Television Broadcasting, whether live or recorded programs (hereinafter referred to as "programs").¹

1. SCOPE OF AGREEMENT

(A) General Coverage.

This Agreement shall cover and relate to musicians represented by the American Federation of Musicians of the United States and Canada (herein sometimes called the "Federation") wherever they may be employed by Employer in Non-Standard Television broadcasting or in producing programs for Non-Standard Television, whether live or produced on videotape or kinescope, as instrumental musicians, leaders, contractors, arrangers, orchestrators, copyists, production musicians and librarians (herein sometimes called "musicians") and to any other persons when they shall perform such services for Employer in the United States, its territories and possessions (including Puerto Rico), and Canada. You shall exercise full authority in order that your Locals and members of the Federation engaged in such activities shall do nothing in derogation of the terms and intent of this agreement.

¹ MOTION PICTURES, EPISODIC, DRAMATIC, NON-DRAMATIC & DOCUMENTARY PROGRAMS

With respect to the production of episodic, dramatic, non-dramatic (e.g., situation comedies and cartoons) and documentary series or programs and feature motion pictures, all terms and conditions of the American Federation of Musicians current Television Film Labor Agreement will apply. With respect to the release of such product produced under the Television Film Labor Agreement Terms and Conditions on free television, it is understood that Section E(2) of the Supplemental Market provisions of the Non-Standard (Pay-TV) Agreement will apply.

This Agreement shall not apply to programs produced for basic cable (including Superstations); with respect to such programs, the parties shall negotiate the applicable scale, payments, and other provisions on a case-by-case basis.

Any program produced under this Agreement that is subsequently released on basic cable (including Superstations) shall be paid in accordance with Article 17(C)(2) (Supplemental Markets).

(i) "Non-Standard Television" shall mean any and all forms of television exhibition and display, whether now existing or developed in the future, other than exhibitions by means of Standard Television; "Non-Standard Television" includes, without limitation, "over-the-air" subscription or pay television, pay cable television, master antenna television, closed-circuit television, hotel, motel or hospital room service, and all other premium distribution, cassette, disc and multi-point distribution service exhibitions, all on a subscription, license, rental, sale or any other basis, and all similar means of television distribution; excluding "Cassette" as defined in 17(B) (1) of the AFM NON-STANDARD (PAY T.V.) AGREEMENT.

(ii) "Standard Television" shall mean non-pay, UHF or VHF broadcast television in the United States or Canada transmitted by means of a broadcast station licensed by the appropriate governmental body intended for intelligible reception by the general public by means of standard home antennas.

(B) Effect of Non-Renewal of This Agreement.

Any contract in existence at the termination of this agreement (whether such termination is caused by expiration, breach, or otherwise), made and entered into by Employer with local unions, members of the Federation, licensed booking agents, personal managers, producers, symphony associations, or others, for the employment and rendition of services covered by this agreement, shall not impose any obligation to render further musical services for Employer unless this agreement is renewed or a new one entered into permitting the same. In the event this contract is not renewed or a new one is not entered into, employees covered by this agreement may, at their option, render services to any others without obligation or liability to Employer.

2. UNION RECOGNITION

Employer hereby recognizes the Federation as the exclusive bargaining representative of persons employed as musicians, who are members of the Federation, or who are employed by Employer in the areas designated in subparagraph 1(A) hereof.

3. UNION SECURITY

(A) The following provision contained in this subparagraph (A) shall apply to services to be rendered hereunder in Canada where not prohibited by applicable law. Such provision shall also be included in, and whether or not so included, shall be deemed part of all contracts calling for such services, at places or under circumstances as aforesaid, between Employer and persons employed in classifications covered by this agreement: "Only the services of members in good standing of the American Federation of Musicians of the United States and Canada shall be used for the performance of any work within a classification covered by this agreement."

(B) The following provisions contained in this subparagraph (B) shall apply to services rendered hereunder in the United States and shall be included in, whether or not so included, shall be deemed a part of all contracts calling for such services between Employer and persons employed in a classification covered by this agreement: "Persons who are employees of the Employer on the date of signing of this agreement or on its effective date (whichever is later), who are members of the Federation, shall be continued in their employment by the Employer only so long as they continue their membership in good standing in the Federation. All other employees in a classification covered by this agreement shall on or before the thirtieth day following the commencement of their employment or the effective date of this agreement, whichever is later, become and continue to be members in good standing of the Federation as a condition of their employment. The provisions of this paragraph shall not become effective unless permitted by applicable law."

(C) As to employees covered by this agreement who are members of the American Federation of Musicians of the United States and Canada, and to the extent to which the inclusion and enforcement of this paragraph is not prohibited by any applicable law, nothing in this agreement shall ever be construed so as to interfere with any obligation which they may owe to the American Federation of Musicians of the United States and Canada as members thereof.

(D) Any employees covered by this agreement shall be free to suspend or terminate their services by reason of any strike, ban, or unfair list of the Federation or of any Federation Local union against a third party which has been approved or sanctioned by the Federation and shall be free to accept and engage in other employment of the same or similar character, or otherwise, for other employers or persons, firms or corporations without any restraint, hindrance, penalty, obligation or liability whatever, any other provisions of this agreement to the contrary notwithstanding. The Employer shall not request or require any employee to work in the premises of any person, firm or corporation who is not in good standing with the Federation according to lists published by the Federation in the "International Musician" or to specific notice to the Employer. Nothing in this paragraph shall require the Employer to do or refrain from doing any act unless and until permitted by applicable law.

(E) All present provisions of the By-laws, rules and regulations of the Federation are made part of this agreement as though fully set forth herein to the extent to which their inclusion and enforcement as part of this agreement are not prohibited by any applicable law. No changes in the Federation's By-laws, rules and regulations which may be made during the term of this agreement shall be effective to contravene any of the provisions hereof. The Employer acknowledges its responsibility to be fully acquainted, now and for the duration of this agreement, with the present contents of the Federation's By-laws, rules and regulations.

4. USE OF LIVE MUSIC

During the term of this agreement Employer shall utilize live music exclusively for all programs produced by or for Employer in which any music is used. All programs produced by or for Employer in the United States or Canada, if scored, shall be scored in the United States or Canada.

5. GRIEVANCE-ARBITRATION*

Any dispute or controversies of any kind that may arise between any musician(s) or the Federation and the Employer arising out of or in connection with Exhibits I, II, and III of this Agreement (including but not limited to disputes concerning the meaning, interpretation, application or enforcement of the provisions set forth in this Agreement) shall be resolved exclusively through the procedure set forth below:

Step 1. Within sixty (60) calendar days after the occurrence of the event that gave rise to the grievance or after the date that the aggrieved party reasonably could have learned of that event (whichever occurs later), a grievance shall be submitted in writing to the Employer by the Federation on its own or on behalf of the individual musician(s) or to the Federation by the Signatory of Record. The grievance is to be submitted on a form attached hereto as Exhibit IV.

Step 2. Within fifteen (15) calendar days from receipt of the grievance, a representative designated by the Federation and a representative designated by the Employer shall meet to discuss the matter and attempt to resolve the dispute informally.

Step 3. If the parties are unable to resolve the dispute at that meeting, the party against whom the grievance is filed shall submit a written answer to the grievance within fifteen (15) calendar days after the Step 2 meeting.

Step 4. If either party (the Federation or the Employer), is not satisfied with the answer (or if an answer is not submitted within the time limit set forth in Step 3 above), that party may elect to submit the dispute to arbitration by notifying both the American

Arbitration Association ("AAA") and the Signatory of Record or Federation in writing within thirty (30) calendar days of receipt of the answer (or, if no timely answer was sent within thirty (30) calendar days after the date the answer was due.) The written demand for arbitration shall include a copy of the grievance that was filed and the answer, if any.

The dispute shall then be processed in accordance with the following provisions:

The parties have agreed to the use of a panel of three (3) arbitrators in each of two locations (NY City and Los Angeles) which shall be maintained by the AAA. Upon receipt of a written demand for arbitration, the parties shall select an arbitrator from the panel using the alternate strike method.*

The hearing shall be held on ten (10) working days' notice. The arbitrator's award shall be rendered within thirty (30) calendar days of the close of the hearing or thirty (30) calendar days after the submission of post-hearing briefs, where applicable. The award of the arbitrator shall constitute a final and binding resolution of the dispute with respect to all parties -- the individual musician(s), the Federation and its Locals, and the Signatory of Record and its agents.

The arbitrator shall have the power and authority to issue an award that he/she may deem appropriate, including but not limited to the authority to remedy any violations of this Agreement and to preclude any such further violations. The arbitrator, however, shall not have the power or authority to amend, add to or subtract from, or alter in any manner the provisions of this Agreement.

Fees and expenses of the arbitrator and the proceedings itself (e.g., court reporter) shall be borne equally by the parties; provided, however, if the arbitrator concludes that the position of either party is frivolous, he/she may award fees and expenses to the prevailing party, including reasonable attorney's fees.

Any of the time limits set forth above may be extended by mutual agreement in writing.

* With respect to grievances that arise in locations other than Los Angeles or New York City, an arbitrator shall be selected from the panel located closest to where the dispute arose.

6. SOUND TRACK REGULATIONS

(A) Employer will not use or deal with sound track made hereunder for any purpose whatsoever except to accompany the program for which such sound track was originally produced and except as provided in Exhibit I, Paragraph Q and subparagraph (F) and (G) hereof.

(B) Employer will not use any sound track in any program which is the subject of this agreement unless such sound track is recorded under the terms of this agreement. No sound track recorded under the terms of this agreement may be augmented by sound tracks which are not recorded under the terms of this agreement.

(C) Without regard to the duration of this agreement, Employer shall not dub or give permission to others so to do and Employer shall prevent others from so doing, any sound track containing performances by persons covered by this agreement for the purposes of producing phonograph records or similar devices (nor shall Employer give permission to others so to do and Employer shall prevent others from so doing) unless prior notice of intention so to do has been given to the office of the President of the Federation. In the event of such dubbing, Employer shall pay to all persons covered by this agreement, as additional compensation for the rendition of such original performances, an amount equal to the scale for such new use and shall also make any and all additional payments applicable to such new use.

(D) The substances and intent of (A) - (C) above shall be incorporated into all agreements made by Employer relating to the selling, licensing, lending, giving, exhibition, utilizing, or other disposition or use of the programs which are the subject of this agreement.

(E) No part of any kinescopes, videotapes or sound tracks made pursuant to this agreement shall be extracted or used for purposes other than those specifically permitted by this agreement so long as said kinescopes or videotapes remain in existence.

(F) Promotional Trailers and Excerpts.

Excerpts from any kinescope or videotape made pursuant to this agreement or any local agreement of even date herewith may be broadcast as a promotional trailer. Such promotional trailers shall be used only to promote a larger audience. Such promotional trailers shall not exceed two minutes in duration and shall not contain any advertising nor shall they be preceded or followed by any advertising which is tied in to the promotional trailer or which is advertising of a sponsor of the program which is being promoted by such trailers. The words "sponsored by" or words of like meaning in such promotional announcements shall not in and of themselves be interpreted as a violation of this paragraph. Without constituting a reuse or requiring that reuse payments be made, excerpts from programs produced under this agreement may be used in television industry awards programs such as the Emmy Awards program.

(G) Use of Excerpts (clips):

(1) Use of excerpts (clips) containing music taken from television programs or motion picture films will require a payment to all rendering a musical service on the original production equal to the Variety Show air rate of the program in which the excerpt (clip) is being utilized. There will be a minimum payment at the one hour rate and a maximum payment at the two hour rate.

(2) When the excerpts (clips) are utilized in a Strip Variety Program "Anniversary Show", the payment will be equal to the one and one-half hour Strip Variety Program air rate.

(3) When an excerpt (clip) consists of a complete production number, the payment shall be that of the minimum guarantee for the program in which the clip is utilized (air rate plus guaranteed rehearsal hours), with a maximum payment equal to a two hour program.

(4) Advance notice, where feasible, of the contemplated use of excerpts (clips) will be given to the Federation.

(5) The foregoing does not apply to compilation programs (programs consisting entirely of excerpts (clips)). In such instances separate agreement will be made with the Federation.

7. WAGES

For services rendered by the persons covered by this agreement in the making of programs hereunder, Employer shall pay at least Federation scale as provided in Exhibits I, II and III annexed hereto, and Employer will fully and faithfully perform the terms and conditions otherwise set forth in said exhibits and in Employer's individual agreements with such musicians, said wages being due and payable within fifteen (15) business days after original performance.

8. PENSION WELFARE FUNDS

(A) For the period from February 1, 2002 to January 31, 2005, Employer shall contribute an amount equal to ten (10) percent of all earnings of whatever nature covered by this agreement, under Exhibits I, II and III, computed at scale: (i) with respect to services rendered in the United States, to the American Federation of Musicians and Employers Pension Fund, created pursuant to Trust Indenture, dated October 2, 1959; and (ii) with respect to services rendered in the Dominion of Canada, to the American Federation of Musicians and Employers Pension Plan Welfare Fund (Canada), created pursuant to agreement and Declaration of Trust dated April 9, 1962.

It is understood that, under the terms of said trust agreements, the employees (in addition to musicians as therein defined) on behalf of whom contributions to the aforesaid Funds may be made by other employers include the following:

- (i) full-time employees of the Fund themselves;
- (ii) full-time office and clerical employees of the Federation and of any of its affiliated Locals; and
- (iii) duly elected officers and representatives of the Federation and of any of its affiliated Locals.

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

(C) (i) Employer agrees that Employer shall furnish to the Federation, simultaneously with Employer's delivery thereof to the trustees, copies of any and all statements submitted to such trustees under said trust indentures.

(ii) Employer agrees that the Federation shall have the right from time to time, upon reasonable notice to Employer, without limitation to the duration of this agreement, and at all reasonable times during business hours, to have the Federation's duly authorized agents examine and audit Employer's records and accounts concerning all transactions which are subject to payments pursuant to paragraph 8; such examination and audit to be made for the purpose of ascertaining what sums, if any, may be due and of verifying any statements made by Employer pursuant to this agreement. Employer agrees to afford all necessary facilities to such authorized agents to make such examination and audit and to make extracts and excerpts from said records.

(D) The Federation and said trustees, or either of them, may enforce the provisions contained in this paragraph 8.

(E) Payments will be made simultaneously with musicians wage scales.

9. PLAY DATES

For the rates specified in Exhibits I, II, and III, the Employer will be permitted to exhibit a program produced under the terms of this agreement on Non-Standard Television on eight play dates within six consecutive months after the first exhibition in each market, and shall also have the options (1) of fifteen play dates within eighteen months of the first exhibition by paying 50% additional over and above the initial scale wages to the musicians ("Option I"); and (2) of twenty play dates within two years of the first exhibition by paying 75% additional over and above the initial scale wages to the musicians ("Option II"); and (3) of thirty play dates within three years of the first exhibition by paying 150% additional over and above the initial scale wages to the musicians ("Option III"), provided, however, that any such option must be exercised prior to or during the production of that particular program.

For the purpose of this agreement the term "play dates" is deemed to mean any consecutive twenty-four hour period during which any applicable program is exhibited one or more times in each market.

10. REUSE

Reuse periods shall each consist of twelve consecutive months during which seven additional play dates shall be permitted upon payment of the percentages listed below. The following percentages of the scale payment set forth in Exhibits I and II hereto shall be paid within fifteen (15) business days of such reuse to each instrumentalist, leader, contractor and music sound consultant who originally performed services in connection with such program (including but not limited to rehearsal services rendered prior to performance).

<u>REUSE PERIOD</u>	<u>PERCENTAGES</u>
Second	75
Third	75
Fourth	50
Fifth	50
Sixth	50
Seventh	10
Eighth and each subsequent period	5

Arrangers, orchestrators, and production musicians shall receive the applicable percentage payment for reuse based upon actual wages earned at scale, but in no event shall such reuse payment exceed 150% of the reuse payment to the leader computed at leader's scale. Notwithstanding the foregoing, in the event that Employer exercises Option I, Option II or Option III described above in Article 9, arrangers, orchestrators, and production musicians shall receive the applicable percentage payment for the option period based upon actual wages earned at scale, but in no event shall the amount of such payment in excess of the initial scale wages exceed 200% of the amount by which the payment to the leader computed at leader's scale exceeds the initial scale wages of the leader.

Copyists and librarians shall receive the applicable percentage payment for reuse based upon actual wages earned at scale, but in no event shall such reuse payment exceed 150% of the reuse payment to the instrumentalist computed at scale.

Notwithstanding the foregoing, in the event that Employer exercises Option I, Option II or Option III described above at Article 9, copyists and librarians shall receive the applicable percentage payments for reuse based upon actual wages earned at scale, but in no event shall such reuse payment exceed 200% of the reuse payment to the leader computed at scale.

Reuse payments shall be made to arrangers, orchestrators, copyists and librarians, only and to the extent the services of such arrangers, orchestrators, copyists and librarians are used in the program as exhibited.

Where excessive rehearsal hours have resulted from mechanical difficulties and/or failure of equipment, the number of rehearsal hours to be included in the scale pay for the purpose of determining the percentage payments due under this paragraph shall be limited as follows: for a one-half hour program -- a maximum of 10 hours; for a one hour program -- a maximum of 15 hours; for a one and one-half hour or longer program -- a maximum of 20 hours.

11. FOREIGN USE

(A) (1) Programs made under this and prior agreements (except for programs already exhibited in foreign countries and programs such as awards shows, beauty pageants, circuses and ice shows, etc., which prior to this agreement were regularly sold with world-wide exhibition) may be broadcast, (without limits as to number of showings) by means of satellite, non-standard television, recording or other means now or hereafter developed, outside the United States, its territories and possessions (including Puerto Rico) and outside Canada and its territories and possessions, upon television stations where no admission is charged for the privilege of attending or viewing such broadcast, before, during, or after transmission over television, upon payment to each instrumentalist, leader, contractor, production musician, arranger, orchestrator, copyist and librarian who performed services in connection with such program of additional compensation as set forth below, expressed as 150% of applicable minimum scale (air rate plus guaranteed rehearsal) set forth in Exhibit I for programs one hour or less hereof and 125% for programs over one hour, such amount referred to in this section hereafter as the "Foreign Residual Base".

(a) 15% of the Foreign Residual Base for such program not later than 60 days after the first foreign telecast thereof;

(b) an additional 10% of the Foreign Residual Base for such program when the Distributor's Foreign Gross of any such television program has exceeded: \$7,000 for a program of one half hour or less; \$13,000 for a program of more than one half hour but not more than one hour; or \$18,000 if such program is more than one hour in length - payable not later than 60 days after such gross has been so exceeded;

(c) an additional 10% of the Foreign Residual Base for such program when the Distributor's Foreign Gross of any such television program has exceeded: \$10,000 for a program of one half hour or less; \$18,000 for a program of more than one half hour but not more than one hour; or \$24,000 if such program is one hour or more in length - payable not later than 60 days after such gross has been so exceeded.

(d) After payment of the amounts specified in (a), (b) and (c) above with respect to any program, no further sums shall be payable for foreign telecasting of such program.

(2) As used herein the term "Distributor's Foreign Gross" shall mean, with respect to any such program, the absolute gross income realized by the distributor of such program from the foreign telecasting thereof and including, in the case of a "foreign territorial sale" by any such distributor, the income realized from such sale by such distributor but not the income realized by the "purchaser" or "licensee". The phrase "absolute gross income" shall not include:

(a) Sums realized or held by the way of deposits or security until and unless earned, other than such sums as are non-returnable.

(b) Sums required to be paid or withheld as taxed, in the nature of turnover taxes, sales taxes or similar taxes based on the actual receipts of the program or on any monies to be remitted to or by the distributor, but there shall not be excluded from distributor's foreign gross any net income, franchise tax or excess profit tax or similar tax payable by the distributor on its net income or for the privilege of doing business.

(c) Frozen foreign currency until the distributor shall have either the right to use such foreign currency in or to transmit such foreign currency from the country or territory where it is frozen. In the event such currency may be utilized or transmitted as aforesaid, it shall be deemed to have been converted to United States dollars at the prevailing free market rate of exchange at the time such right to use or transmit it accrues.

Distributor's foreign gross realized in foreign currency in any reporting period required hereunder, shall be deemed to be converted to United States dollars at the prevailing free market rate of exchange at the close of such reporting period.

If any transaction involving any program subject to a foreign telecast payment under this agreement shall also include programs, broadcast time, broadcast facilities or material (including commercial or advertising material) which are not subject to such payment, there shall be a reasonable allocation between the programs which are subject to a foreign telecast payment and such other programs, time, facilities or material, and only the sums properly allocable to programs which are subject to a foreign telecast payment shall be included in Distributor's Foreign Gross.

(3) For those programs exempted in (A)(1) above the payment will be 45% of the scale pay set forth in Exhibits I and II hereto; or said programs may be broadcast on such television stations in the following specified foreign areas upon payment to each of the aforesaid persons in the groups above named of the percentages of such scale pay set forth alongside each area:

<u>FOREIGN AREA</u>	<u>PERCENTAGE</u>
Area 1 England, Scotland, Wales, Ireland and Island of Cyprus	15%
Area 2 All European countries including Iceland, but excluding those countries in Area 1.	15%
Area 3 The entire continent of Africa and adjacent islands including the Island of Madagascar	5%
Area 4 The continents of Asia and Australia, New Zealand, Japan, the East Indies and all the islands in the Pacific and Indian Oceans (except those adjacent to the continents of Africa, North America and South America)	5%
Area 5 Central America, Mexico, South America, Greenland, the Caribbean Islands and the other islands adjacent to the American continents.	5%

(B) Arrangers, orchestrators and production musicians shall receive the applicable percentage payment for foreign use based upon actual wages earned at scale, but in no event shall such foreign use payment exceed the foreign use payment to the leader computed at leader's scale. Copyists and Librarians shall receive the applicable percentage payments for foreign use based upon actual wages earned at scale, but in no event shall such foreign use payment exceed the foreign use payment to the instrumentalists computed at scale.

(C) The rates of pay applicable to programs made under this agreement and transmitted by means of satellite, non-standard TV, recording or other means now or hereafter developed, for broadcast only in the foreign areas set forth above (without limit as to number of showings), shall be 75% of the scale pay set forth in Exhibits I, II and III hereto.

(D) Foreign use payments shall be due and payable not later than sixty (60) days following the date of foreign broadcast.

(E) Where excessive rehearsal hours have resulted from mechanical difficulties and/or failure of equipment, the number of rehearsal hours to be included in the scale pay for the purpose of determining the percentage payments due under this paragraph shall be limited as follows: for a one-half hour program -- a maximum of 10 hours; for a one hour program -- a maximum of 15 hours; for a one and one-half hour or longer program -- a maximum of 20 hours.

(F) Foreign Use of Live Programs Transmitted by Means of
Satellite or Other Similar Devices.

(i) Live programs made under this agreement, or any Local agreement of even date herewith, and transmitted by means of satellite, non-standard or other devices now or hereafter developed for broadcast in foreign areas simultaneous with or subsequent to the broadcast in an area set forth in this agreement, shall be subject to the rates and conditions set forth in paragraph (A) above.

(ii) Live programs made under this agreement, or any Local agreement of even date herewith, and transmitted by means of satellite, non-standard or other devices now or hereafter developed, for broadcast in foreign areas only, shall be subject to the rates and conditions set forth in paragraph (C) above.

12. AUDITION PROGRAMS

(A) Right to Produce.

Employer may use persons covered by this agreement in the production of audition programs to solicit sponsors for live shows, subject, however, to the following conditions:

(i) Rates of Pay: The rates for audition programs shall be 60% of the scale pay set forth in Exhibits I, II and III.

(ii) Type of Use: Under no circumstances will Employer exhibit such audition programs publicly on television, in theatres, or in any other manner except privately to prospective clients and advertisers for the purpose of selling a show of which the audition program is a sample.

(iii) Retention: Employer will at all times retain ownership and control of all recordings and reproductions of such programs and each such recording or reproduction shall bear a prominent legend, the language of which shall be approved by the Federation, setting forth the conditions set forth in subparagraph 11. (A) (ii) above.

(iv) The provisions of subparagraphs (A) (ii) and (iii) above shall remain in effect so long as audition programs remain in existence.

(B) Copies and Lists.

(i) Copies: Upon request, Employer will furnish to the Federation a copy of any audition program made pursuant to the provisions of this Paragraph 12.

(ii) Lists: At the end of each month Employer shall furnish the Federation with a list of audition programs made pursuant to the provisions of this Paragraph 12 during said month.

(C) Scratch Tapes.

Employer may use persons covered by this agreement for the production of scratch tapes of live existing presentations to be used solely for production purposes. Under no circumstances will Employer exhibit such scratch tapes publicly on television, in theatres, or in any other manner except privately to facilitate production. For the right to make such tapes and for all use thereof, Employer will pay instrumentalists, leaders and contractors rendering services on such scratch tapes, sixty (60%) of the applicable air rate for the presentation being taped. Such air rate shall be that set forth in Exhibit I, Paragraph I.A., based upon the nature and length of the presentation.

13. COPIES AND LISTS

(A) Program Catalogues

Following the execution of this agreement, Employer shall furnish to the Federation, promptly upon request, a copy of all Employer's program catalogues, and thereafter from time to time, a schedule listing all amendments and additions thereto, as and when established.

(B) Programs.

At the end of each month Employer shall submit to the Federation (with a copy to the applicable Local) a report of the first air dates of all covered programs made by Employer hereunder during each month, and of the number of other identification thereof. Employer shall furnish the Federation with lists of covered programs; and Employer shall furnish any additional information in connection with any such covered programs which the Federation may reasonably require. Upon request by the Federation, Employer shall promptly furnish to it a copy of such covered programs. Employer shall respond promptly to reasonable requests by the Federation for information relating to Employer's performance of the terms and conditions of this agreement and of any and all individual agreements with members of the Federation.

(C) Lists.

At the end of each month Employer shall furnish the Federation with a list of all programs which have been re-run in any market in the United States, its territories and possessions (including Puerto Rico) and in Canada, its territories and possessions, pursuant to paragraph 10 of this agreement.

14. ACTION REQUIRING UNION APPROVAL

(A) Use of Programs Other Than by Television Broadcast.

It is agreed that unless the Federation's written permission is first had and obtained, neither Employer nor our subsidiary or affiliated companies will use or grant any rights to use (whether by way of sale, assignment, lease, license, or other transfer of title or permission to use, and whether by operation of law or otherwise), in whole or in part, any program produced pursuant to this agreement, which, in whole or in part, embodies pictures of instrumental musicians rendering musical performances or which embodies or is accompanied by performances of such musicians, which are recorded and/or photographed under this agreement, for purposes other than exhibition over television broadcasts, where no admission is charged for the privilege of attending such exhibition, before, during or after transmission over television. The substance and intent of this subparagraph shall be incorporated in all agreements pursuant to which Employer shall grant any rights to use such programs as aforesaid. The obligations created by this subparagraph shall survive this agreement for so long as the programs referred to in this agreement shall be used. It is further agreed that the Federation may enforce compliance with the provisions of this subparagraph.

(B) Contracts With Federation Members.

The following provision shall be included in, and whether or not so included, shall be deemed part of all contracts calling for (covered) services between Employer and members of the Federation:

“This contract shall not become effective unless and until it shall be approved by the International Executive Board of the American Federation of Musicians or by duly authorized agent thereof.”

(C) Assignment of This Agreement.

This collective agreement shall be personal to each of us and shall not be transferable or assignable by operation of law or otherwise, without the consent in writing of the Federation.

Without such consent, Employer shall not transfer or assign any individual contract (or part thereof) for the performance of services of any member of the Federation or give anyone else control over such contract services. Nevertheless, if the foregoing is violated and services are thereafter performed by such member of the Federation, the obligations and duties imposed by this agreement shall be binding upon the transferee or assignee. The obligations imposed by this agreement shall be binding upon each of Employer's subsidiaries engaged in the production of programs. The Federation, at its option, may terminate this agreement with any signatory hereto at any time after a transfer of any controlling interest in such signatory.

(D) Transfer or Assignment of Programs.

In the event that Employer shall sell, transfer, assign, or otherwise dispose of its television rights in programs made under this agreement, Employer shall continue responsibility for all the obligations and commitments which Employer has undertaken in this agreement with respect to such programs, unless the Federation consents to the assumption of those obligations and commitments by the assignee or transferee. Employer agrees to give notice to the Federation within thirty (30) days after each such sale, assignment or transfer.

15. ACCESS TO STUDIO

A duly authorized representative of the Federation or its affiliated local in the area involved shall be granted access to the studio or other place where services are being performed under this agreement at such times as are necessary for the proper conduct of their business.

16. HEALTH & SAFETY

The Employer will not require employees hereunder to work under conditions which present a health or safety hazard.

17. SUPPLEMENTAL MARKETS

A. The provisions of this Article shall apply to all programs initially produced for Non-Standard Television, either prior to or during the term of this Agreement, which are actually distributed in Supplemental Markets during the term of this Agreement.

B. Definition of Supplemental Markets

The term "Supplemental Markets" as used in this agreement, means only: The exhibition of television programs by means of cassettes (to the limited extent provided in subparagraph (1) of this paragraph), Basic Cable, Standard Television or the exhibition of television programs on any commercial carrier such as commercial airlines, trains, ships and buses (referred to herein as "In Flight").

(1) Cassettes.

For the purpose of this agreement, 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 television program (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 on a home-type television screen in the home, for educational use, or in other closed circuit use such as hotel rooms constitutes the "Supplemental Market" for the purposes of this agreement. The foregoing definition does not include the exhibition of a television program by cassette over a television broadcast station.

(2) Basic Cable.

The term "basic cable" as distinguished from non-standard TV as defined in Article 1.(A) (i) of the Agreement refers to the type of exhibition which is commonly understood in this industry today to be basic cable TV.

(3) Standard Television

An exhibition of any program on Standard Television in any market in the United States, its territories and possessions (including Puerto Rico) and in Canada shall constitute the "Supplemental Market" for purposes of this Agreement.

C. Computation for Payment for Cassettes and Basic Cable

(1) Base Amounts

(a) The following base amounts shall be used for computing payments to each instrumental musician, leader, contractor, arranger and orchestrator whose services were included in such television program:

<u>Type of Program</u>	<u>Base Amount</u>	
	<u>Per Person</u>	<u>Per Program</u>
(One-half Hour (and all strip programs including strip variety programs regardless of length)		\$300.
One Hour	375.	
One and one-half Hour	450.	
Two Hours	525.	
Each additional one-half hour or fraction thereof	75.	

(b) Employer agrees to establish for librarians who performed services for such programs and whose names appear as such on the original Form B contract for the program and for copyists for such programs (limited to a maximum of five (5) copyists) a base amount of \$300 per person, per program, regardless of length. If more than five (5) copyists were actually employed on the program, the sum of \$1,500 shall be divided equally among all such copyists.

(2) Fees for Cassettes and Basic Cable

(a) Fees, except as provided in D(1) below, shall be computed on the foregoing base amounts as follows:

(i) (A) Except for initial release on "In-Flight" or basic cable stations including superstations (e.g., WTBS), or for educational use, when such television program is initially released in any Supplemental Market (or committed to release, as hereinbefore provided), the musician shall be paid 10% of the applicable base amount; and when the Distributor's gross receipts (as defined in subsection (b) below) from the distribution of such television program in such Supplemental Markets equals \$62,500, the musician shall be paid an additional 10% of the applicable base amount:

(B) When such television program is initially released in the basic cable market (including "superstations"), the musicians shall be paid 5% of the applicable base amount. When the Distributor's gross receipts (as defined in subsection (b) below) from the distribution of such television program initially released in the basic cable market (including "superstations") equals \$62,500, the musicians shall be paid an additional 15% of the applicable base amount. When such television program, initially released in the basic cable market (including "superstations"), is subsequently released in another Supplemental Market (other than "In-Flight"), the musicians shall be paid an additional 5% of the applicable base amount.

(i) With respect to gross receipts from "In-Flight" distribution, 30% of the base amount shall be payable upon initial release of the program for such market; and provided further that the total payment or payments under subparagraph (a) shall not exceed thirty percent (30%) of the applicable base amount.

(ii) When such gross receipts from the distribution of such television program by cassettes or basic cable amount to \$125,000, the following additional percentage of the base amount shall be due: 10%

(iii) When such gross receipts from the distribution of such television program by cassettes or basic cable amount to \$200,000, the following additional percentage of the base amount shall be due: 25%

(iv) When such gross receipts from the distribution of such television program by cassettes or basic cable amount to \$300,000, the following additional percentage of the base amount shall be due: 25%

(v) When such gross receipts from the distribution of such television program by cassettes or basic cable amount to \$400,000, the following additional percentage of the base amount shall be due: 25%

(vi) When such gross receipts from the distribution of such television program by cassettes or basic cable amount to \$500,000, the following additional percentage of the base amount shall be due: 25%

(vii) After each additional full increment of \$100,000 of such gross receipts in excess of \$500,000, the following additional percentage of the base amount shall be due: 10%

(b) Definition of Distributor's Gross Receipts Except for Educational Use and Made for Pay Television Motion Pictures

(i) In applying the formula set forth in this section for calculating fees for cassettes or basic cable, Distributor's gross receipts shall be included in the formula at 100% of the actual amount of such gross receipts for all cassettes or basic cable.

(ii) As used herein, the term "Distributor's gross receipts" shall mean the absolute gross income received by all Distributors (as hereinafter defined) of such television program from the use of cassettes or basic cable thereof anywhere in the world, and including the case of a "foreign territorial sale" by any such Distributor, the income received from such sale by such Distributor but not the income received by the "purchaser" or the "licensee". "Distributor" as used in this agreement shall mean the Producer when it distributes such program for Supplemental Market use. Gross receipts at the retail level would not be Distributor's gross receipts hereunder. Further, if Employer "ourselves" act as Distributor and retailer, a reasonable allocation of the retail gross receipts shall be made as between Employer as Distributor and Employer as retailer, and only the former shall be deemed to be Distributor's gross receipts.

(iii) The Distributor's gross receipts shall not include:

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

(B) Rebates, credits or repayments for cassettes returned (and in this connection Employer shall have the right to set up a reasonable reserve for returns);

(C) 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 program or on any monies to be remitted to or by the Producer or such other distributor; but there shall not be excluded from Distributor's gross receipts any net income tax, franchise tax or excess profit tax or similar tax payable by Employer or such Distributor on its net income or for the privilege of doing business;

(D) Frozen foreign currency until Employer shall either have the right to freely use such foreign currency, or Producer or Distributor has the right to transmit to the United States to Producer or Distributor 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.

D. Receipts attributable to distribution for educational use.

(1) Fees for Educational Use

Notwithstanding the foregoing, Employer shall pay 1% of Producer's accountable receipts as defined in the Federation's Basic Theatrical Motion Picture Agreement from the distribution of cassettes for educational use, credited to each participating musician pro rata.

E. Computation of Payment for Standard Television.

(1) Except as provided in subparagraph (2) below, the following percentages of the applicable Basic Rate (and not the actual wages earned at scale) set forth in Exhibit I and II hereto shall be paid to each instrumentalist, leader, contractor and music sound consultant who originally performed services in connection with such program (including but not limited to rehearsal services rendered prior to performance).

<u>RUN</u>	<u>PERCENTAGE</u>
First	100
Second	75
Third	75
Fourth	50
Fifth	50
Sixth	50
Seventh	10
Eighth and each subsequent run	5

Arrangers, orchestrators, and production musicians shall receive the applicable percentage payment for the reuse covered hereunder based upon actual wages earned at scale, but in no event shall such reuse payment exceed 150% of the payment to the leader computed as described above.

Copyists and Librarians shall receive the applicable percentage payments for the reuse covered hereunder based upon actual wages earned at scale, but in no event shall such payment exceed 150% of the payment to the instrumentalists computed as described above.

A second showing in any market shall start the second run, a third showing in any market shall start the third run, and similarly with respect to all subsequent runs.

(2) Notwithstanding the foregoing, fees for exhibition of a Made For Pay Motion Picture produced pursuant to this agreement on Standard Television, domestic or foreign, shall be computed and paid pursuant to Paragraph 15 of the Federation Basic Theatrical Motion Picture Agreement as if such Made For Pay Motion Picture were a motion picture shown on free television.

F. General Provisions:

(a) Allocation of Gross Receipts.

If any agreement for distribution in the Supplemental Market includes more than one program, or includes both Supplemental Market rights and other rights, the Producer shall make a reasonable allocation for the purpose of determining payments due hereunder.

(b) No Pension or Welfare contributions to the Federation's funds shall be required to be paid on Supplemental Market fees.

(c) Time of Payments and Reports.

Payments of any Supplemental Market fees due under this Article 17 shall be made annually on the basis of annual statements, as hereinafter provided, except that the initial fees payable pursuant to paragraph E (1) hereof shall be paid within sixty (60) days after exhibition. The Producer shall furnish to the Federation written annual reports showing the Producer's gross receipts, in accordance with the foregoing, from distribution of programs in Supplemental Markets. The Federation shall have the right, at reasonable times, to examine the books and records of the Producer insofar as they relate to the Producer's gross from distribution in Supplemental Markets.

(d) Symphony and Opera programs.

Symphony and Opera programs are specifically excluded from all of the provisions of this article.

(e) More Favorable Terms.

If, during the term hereof, the Federation shall enter into an agreement with any other producer upon terms more favorable than or different from those contained in this agreement, Employer shall have the right to cause this agreement to be conformed therewith.

18. NO DISCRIMINATION

The parties agree not to discriminate against any musician because of race, sex, creed, color, national origin or age.

19. COPYRIGHT

All of the results and proceeds of the services provided under this Agreement, whether in writing or recorded, are and shall be deemed "works-made-for-hire" for the Employer. Accordingly, the Employer shall be deemed the author and/or exclusive owner of all of the rights comprised in the copyright thereof, and the Employer shall have the right to exploit any or all of the foregoing in any and all media, whether now known or hereafter invented, as the Employer determines.

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MINIMUM WAGES & OTHER WORKING CONDITIONS

Exhibit I

1. Recording instrumentalists, leaders, contractors

The minimum scale for instrumentalists, leaders and contractors shall be the rates and conditions set forth below:

A. BASIC RATES

1. Variety Programs (other than strips)

	<u>2/1/02</u>	<u>2/1/03</u>	<u>2/1/04</u>
For a 1/2 hour show, per man including two hours rehearsal on the same day (including air rate of \$99.15 effective 2/1/02 \$99.15 effective 2/1/03 \$101.10 effective 2/1/04)	\$242.95	\$242.95	\$247.80
For a 1 hour show, per man including 4 hours rehearsal on the same day (including air rate of \$124.35 effective 2/1/02 \$124.35 effective 2/1/03 \$126.85 effective 2/1/04)	\$411.95	\$411.95	\$420.25
For a 1-1/2 hour show per man including 6 hours rehearsal-which may be scheduled on two consecutive days (including air rate of \$185.65 effective 2/1/02 \$185.65 effective 2/1/03 \$189.35 effective 2/1/04)	\$617.05	\$617.05	\$629.45
For shows over 1-1/2 hours, the air rate shall be for each 15 minutes; \$31.10 effective 2/1/02 \$31.10 effective 2/1/03 \$31.70 effective 2/1/04 Rehearsal Pay, per man	\$ 71.90	\$ 71.90	\$ 73.35
For Additional Rehearsal Time -- each 15 minutes or fraction thereof per man	\$ 17.95	\$ 17.95	\$ 18.30
Leader or single Musician: Double Recording Musicians' rate			

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2.	Other Programs, including Strip Variety Shows (5 days per week shows)	Exhibit I		
		<u>2/1/02</u>	<u>2/1/03</u>	<u>2/1/04</u>
	For a 1/2 hour show, per man including 1 hour rehearsal within a three (3) hour time span (including air rate of \$126.50 effective 2/1/02 \$126.50 effective 2/1/03 \$129.00 effective 2/1/04)	\$198.40	\$198.40	\$202.35
	For a 1 hour show, per man including 2 hours rehearsal within a four (4) hour time span (including air rate of \$151.25 effective 2/1/02 \$151.25 effective 2/1/03 \$154.25 effective 2/1/04)	\$295.05	\$295.05	\$300.95
	For a 1-1/2 hour show, per man including 2 hours rehearsal within a five (5) hour time span (including air rate of \$227.05 effective 2/1/02 \$227.05 effective 2/1/03 \$231.60 effective 2/1/04)	\$370.85	\$370.85	\$378.30
	(The 2 hour guarantee on the 1 hour and the 1-1/2 hour shows shall be adjusted to 1-1/2 hours when the orchestra consists of 15 or more musicians including Leader and Contractor.)			
	For shows over 1-1/2 hours, the air rate shall be for each 15 minutes \$37.95 effective 2/1/02 \$37.95 effective 2/1/03 \$38.70 effective 2/1/04			
	Extra Rehearsal Pay, per man One hour	\$ 71.90	\$ 71.90	\$ 73.35
	Leader or Single Musician: Double recording musicians rate except 125% of scale for organist on daytime serials and on other day-time programs where one man plays background music			

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3. Strip Variety Shows (3 or 4 days per week
Four (4) days per week

	<u>2/1/02</u>	<u>2/1/03</u>	<u>2/1/04</u>
For a 1/2 hour show, per man including 1 hour rehearsal within a three (3) hour time span (including air rate of \$139.15 effective 2/1/02 \$139.15 effective 2/1/03 \$141.90 effective 2/1/04)	\$211.05	\$211.05	\$215.25

For a 1 hour show, per man including 2 hours rehearsal within a four (4) hour time span (including air rate of \$167.30 effective 2/1/02 \$167.30 effective 2/1/03 \$170.65 effective 2/1/04)	\$311.10	\$311.10	\$317.35
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For a 1-1/2 hour show, per man including 2 hours rehearsal within a five (5) hour time span (including air rate of \$250.60 effective 2/1/02 \$250.60 effective 2/1/03 \$255.60 effective 2/1/04)	\$394.40	\$394.40	\$402.30
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(The 2 hour guarantee on the
1 hour and the 1-1/2 hour shows
shall be 1-1/2 hours when the
orchestra consists of 15 or
more musicians including Leader
and Contractor.)

For shows over 1-1/2 hours,
the air rate shall be
for each 15 minutes
\$42.85 effective 2/1/02
\$42.85 effective 2/1/03
\$43.70 effective 2/1/04

Extra Rehearsal Pay, per man One hour	\$ 71.90	\$ 71.90	\$ 73.35
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Leader or Single Musician:
Double recording musicians
rate .

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<u>Three (3) days per week</u>	<u>Exhibit I</u>		
	<u>2/1/02</u>	<u>2/1/03</u>	<u>2/1/04</u>
For a 1/2 hour show, per man including 1 hour rehearsal within a three (3) hour time span (including air rate of \$156.00 effective 2/1/02 \$156.00 effective 2/1/03 \$159.10 effective 2/1/04)	\$227.90	\$227.90	\$232.45
For a 1 hour show, per man including 2 hours rehearsal within a four (4) hour time span (including air rate of \$186.65 effective 2/1/02 \$186.65 effective 2/1/03 \$190.40 effective 2/1/04)	\$330.45	\$330.45	\$337.10
For a 1-1/2 hour show, per man including 2 hours rehearsal within a five (5) hour time span (including air rate of \$278.40 effective 2/1/02 \$278.40 effective 2/1/03 \$283.95 effective 2/1/04)	\$422.20	\$422.20	\$430.65
(The 2 hour guarantee on the 1 hour and the 1-1/2 hour shows shall be 1-1/2 hours when the orchestra consists of 15 or more musicians including Leader and Contractor.)			
For shows over 1-1/2 hours, the air rate shall be for each 15 minutes \$48.80 effective 2/1/02 \$48.80 effective 2/1/03 \$49.80 effective 2/1/04			
Extra Rehearsal Pay, per man One hour	\$ 71.90	\$ 71.90	\$ 73.35
Leader or Single Musician: Double recording musicians rate.			

Exhibit I

4. Rehearsal Conditions.

(a) Rehearsal without videotape or pre-recording on any day prior to date of broadcast or date of completion of videotaping -- Minimum of 2 consecutive hours of rehearsal

(b) Rehearsal with videotape or pre-recording on any day prior to date of broadcast or date of completion of videotaping -- Minimum of 3 consecutive hours of rehearsal or videotaping. In the case of dramatic programs which regularly feature a variety act, material for up to five programs may be pre-recorded in such pre-record session, provided that rehearsal hours credited in such session shall be no less than one hour for each program in which such pre-recorded music shall appear; and provided further that in this case such programs shall be paid for as a variety program as to such variety act.

(c) Rehearsal with or without videotaping or pre-recording on any day prior to date of broadcast or date of completion of videotaping -- If more than 1 hour (excluding a meal period of not in excess of one (1) hour) elapses between the end of any session and the beginning of the following session on the same day, a minimum of 2 consecutive hours will be paid for such second session, provided that payment at an overtime rate will not be made except for time actually worked for which the musician is otherwise entitled to overtime pay. This provision does not apply if either of the sessions contain no actual rehearsal or pre-recording services but is entirely limited to the use of tapes or records without the orchestra being present.

(d) Rehearsal on day of live broadcast or completion of videotaping:

Variety Show (not including strip variety show)

For a half hour show -- A minimum of 2 hours rehearsal plus actual time consumed in taping or air within a five hour span. These hours need not be consecutive. For all time elapsed beyond 5 hours -- 50% of the time (excluding a meal period of not in excess of one (1) hour) will be consumed by rehearsal and/or taping-air time, in minimum one (1) hour calls except where a call is contiguous to rehearsal, air or taping.

One hour show -- a minimum of 4 hours rehearsal plus actual time consumed in taping or air within an 8 hour span. These hours need not be consecutive. For all time elapsed beyond 8 hours -- 50% of the time (excluding a meal period of not in excess of one (1) hour) will be consumed by rehearsal and/or taping-air time, in minimum one (1) hour calls except where a call is contiguous to rehearsal, air or taping.

One and one-half hour show -- A minimum of six hours rehearsal plus actual time consumed in taping or air, spread over any number of days provided that on the day of air (live) or on the last day of taping there will be a minimum of four hours rehearsal plus actual time consumed in taping or air within an 8 hour span. These hours need not be consecutive. For all time elapsed beyond eight hours -- 50% of the time (excluding a meal period of not in excess of one hour) will be consumed by rehearsal and/or taping-air time, in minimum one (1) hour calls except where a call is contiguous to rehearsal, air or taping.

Two hour show -- A minimum of eight hours rehearsal plus actual time consumed in taping or air, spread over any number of days, provided that on the day of air (live) or on the last day of taping there will be a minimum of four hours rehearsal plus actual time consumed in taping or air within an 8 hour span. These hours need not be consecutive. For all time elapsed beyond eight hours -- 50% of the time (excluding a meal period of not in excess of one hour) will be consumed by rehearsal and/or taping-air time, in minimum one (1) hour calls except where a call is contiguous to rehearsal, air or taping.

5. Electronic Musical Devices

- (a) 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:
 - (i) at the existing rates set forth in Exhibit I A. (hereinafter referred to as "real time rates"),
or
 - (ii) at the following hourly rates (hereinafter referred to as "multi-tracking rates"):
 - (iii) At the time a musician is initially engaged, he/she shall be advised whether the multi-tracking rate or the real time rate shall apply to the scoring session:
 - (1) \$268.75 per hour (and \$268.75 effective 2/1/03 and \$274.10 effective 2/1/04 per hour) if one (1) musician is employed under the multi-tracking rates;

- (2) \$234.06 each per hour (and \$234.06 effective 2/1/03 and \$238.75 effective 2/1/04 per hour) if two (2) or more musicians are employed under the multi-tracking rates.

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

- (b) In the event Employer chooses to pay the musician under the multi-tracking rates:
 - (i) The musician shall be paid for a minimum of three (3) hours.
 - (ii) 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.
 - (iii) 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 (15) minute increments.
 - (iv) 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.

- (c) 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.
- (d) 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.
- (e) A joint Industry-Federation committee, 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 and shall consider, among other subjects, the possibility of establishing terms and conditions applicable to the services of sequencing as defined in the preceding paragraph.

6. Radio Simulcasts.

When live programs are simultaneously broadcast over radio and television (simulcast), the musicians performing on each such simulcast, in addition to the television payment, shall be paid on a half hour program, \$27.50; on a one hour program, \$36.30; and on any longer programs, \$8.80 for each additional one-half hour.

B. CONTRACTOR

When an orchestra consists of six (6) or less playing musicians a contractor shall not be required. When an orchestra consists of from seven (7) to fourteen (14) musicians either a playing or non-playing contractor shall be employed and shall be paid as follows:

- non-playing contractor --- 150% of applicable scale
- playing contractor - double the applicable scale.

When an orchestra consists of fifteen (15) or more musicians (including the leader), the non-playing contractor shall be paid double scale for the first broadcast use.

C. DOUBLING

Twenty-five percent extra for the first double, and ten percent extra for each additional double, applied as set forth below.

The following are NOT construed as doubling:

Piano and Celeste, when latter is furnished.

Drummer's regulation outfit (consisting of Bass drum, Snare drum, Pedal, Cymbals, Gongs, Wood Blocks, Small traps and bells).

Variety Programs (other than strip variety):

The percentage extra listed above shall be applied as follows:

- (a) 1/2 hour program -- the air rate plus 4 hours of rehearsal.
- (b) 1 hour program -- the air rate plus 8 hours of rehearsal.
- (c) 1-1/2 hour program -- the air rate plus 12 hours of rehearsal.
- (d) For each 15 minutes beyond 1-1/2 hours -- the air rate plus two hours of rehearsal.

Other Programs (including strip variety):

- (a) 1/2 hour program -- the air rate plus actual rehearsal used but in no event more than 4 hours of rehearsal.
- (b) 1 hour program -- the air rate plus actual rehearsal used but in no event more than 8 hours of rehearsal.
- (c) 1-1/2 hour program -- the air rate plus actual rehearsal used but in no event more than 12 hours of rehearsal.
- (d) For each additional 15 minutes in excess of 1-1/2 hours -- the air rate plus actual rehearsal used but in no event greater than two hours of each 15 minutes.

The doubling fees shall be paid for each additional instrument requiring a doubling fee that the musician is directed to bring to the engagement, whether or not used.

If in addition to the normal sound of an instrument, an electronic device (i.e., multiplex, divider, maestro, multiplier of octaves) is used to simulate other instrumental sounds, such use shall be construed as a double.

D. CARTAGE

Whenever Employer requests a musician to bring a heavy instrument to a recording session, Employer 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, Employer shall have the option of designating the public carrier which shall be qualified to transport musical instruments. If the instrument is delivered by the designated public carrier, Employer shall pay the cartage bill of the designated public carrier. If the musician chooses to use a carrier other than that designated by Employer, Employer shall not be liable for a cartage bill greater than the rate charged by the designated carrier. If private transportation is used, Employer will pay musician cartage fees as follows:

Harp, Electric Piano, Tympani, String Bass - \$30.00
Tuba, Drums, Amplifiers, Baritone Saxophone,
Bass Saxophone, Cello, Contra Bass Clarinet and Contra
Bassoon - \$12.00 each.

Employer shall pay one \$12.00 payment whenever a musician is requested to bring to an engagement three or more instruments in separate cases; provided however that the \$12.00 payment requirement shall not apply with respect to groups of harmonicas, flutes (including recorders) and clarinets (other than Bass Clarinet and Contra Bass Clarinets).

E. HEALTH AND WELFARE FUND CONTRIBUTION

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 Craft-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 "Welfare Fund"), with respect to the musicians classifications of this agreement.

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

During the term of this Agreement, Employer shall pay into the Fund one dollar, five and eight-tenths cents (\$1.058) for each hour guaranteed a musician by Employer or each hour worked by a musician for Employer on or after November 1, 1992 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 work-week. 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 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).

Contributions for musicians employed by Employer at a page rate shall be computed on the basis of one and one-half hours for each \$17.16 (and \$17.16 effective 2/1/03 and \$17.16 effective 2/1/04) earned with Producer at a page rate as a copyist; for each \$27.42 (and \$27.42 effective 2/1/03 and \$27.42 effective 2/1/04) earned at a page rate as an orchestrator; for each \$27.42 (and \$27.42 effective 2/1/03 and \$27.42 effective 2/1/04) earned with Producer at the page rate of an arranger.

For a dental plan, Employer shall pay into the Welfare Fund an additional eighteen and seven-tenths cents (18.7c) per hour contribution.

For a vision care plan, Employer shall pay into the Welfare Fund a five cent (5c) per hour contribution.

The above contributions are in accordance with the present pattern of contributions by Employers required under the Welfare Fund. In the event this present pattern of contributions under the Welfare Fund 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 Welfare Fund.

The parties recognize that a problem exists in the present formula for determining the basis of credited hours for Health and Welfare 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 Welfare Fund are not permissible under the provisions of such Welfare Fund, Producer, in lieu thereof, will pay to the applicable local welfare 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 welfare plan but not to exceed the amount of contribution payable into the Welfare Fund as above provided. In the absence of a local welfare plan or acceptable Letter of Adherence satisfactory to Employer such contribution shall be paid to the individual musician concerned, computed as provided in this paragraph, which contribution shall be in addition to and separate from, any other compensation provided for hereunder.

F. MULTIPLE PARTS

When a musician plays multiple parts for purposes of over-dubbing, as distinguished from doubles and the playing of those instruments comprising the exceptions to the doubling provision, he/she will be paid the total payments that would have been made if different musicians had been used for each part.

G. PREMIUM PAY

(i) For all work performed beyond an eight (8) hour time spread in any day, between the hours of 8:00 a.m. and 12 midnight, payment shall be at the rate of time and one-half (150%) computed in 15 minute segments.

(ii) For all work between 12 midnight and 8:00 a.m. payment shall be at the rate of time and one-half (150%) computed in 15 minute segments.

(iii) For all work beyond an eight (8) hour time spread on any day between the hours of 12 midnight and 8:00 a.m. payment shall be at the rate of double time (200%) computed in 15 minute segments.

(iv) For all work performed on any of the following holidays double time (200%) of the basic session and overtime rates shall be paid:

In the United States: New Year's Day, Memorial Day, Labor Day, Thanksgiving, Christmas and Presidents Day.

In Canada: New Year's Day, Good Friday, Labour Day, Dominion Day and Christmas.

Each of these holidays shall be observed on the day on which it is observed by employees of the United States Government or of the Government of Canada.

H. MEAL PERIODS

Any instrumentalist who is required to work more than six (6) consecutive hours without a meal break of at least one (1) hour shall be paid a penalty as follows:

If the meal break is not given immediately after 6 hours, a penalty shall be imposed equal to 2 hours at the applicable rehearsal rate plus 1/2 hour at the straight time rehearsal rate for each additional 1/2 hour delay.

I. REST PERIOD

Intermission of ten (10) minutes per hour away from stand shall be given on all engagements (i.e. ten minutes from the time musicians leave stands until they return and are ready to play). There shall be no combination of more than two rest periods. No rest period will be given within the first thirty (30) minutes after the commencement of a session, provided that all musicians who are to participate in the session are present at the commencement of the session.

Except in the case of taping live or airing live, a penalty of fifty percent (50%) of the applicable rehearsal rate shall be imposed for the period commencing when the musicians were initially entitled to a rest period as provided above (i.e. after two hours in the chair plus a five (5) minute grace period) and continuing until such time as the musicians are released for a rest period for the requisite amount of time. Penalties shall be imposed in 15 minute increments.

J. USE OF PRE-RECORDINGS AND PHONOGRAPH RECORDS AT REHEARSALS

(1) For each day that pre-recordings are used at rehearsals whether outside or inside the jurisdiction of the Local where the pre-recordings were made, members of the orchestra making the pre-recordings will be paid four (4) hours rehearsal pay. Company will provide contractor and/or leader with all on-location production schedules.

(2) If a commercial phonograph record is used in the studio at rehearsals of a program, the instrumentalists and leaders employed hereunder for such program shall be deemed present at such rehearsals and shall be paid in accordance with the applicable scale and conditions prescribed by this agreement during such rehearsals while such phonograph records are in use, without being required to perform other services during such period.

K. MAKE-UP AND COSTUMING

For Make-up and costuming -- \$20.00

In no event shall musicians be called in for make-up or costuming more than 1 hour prior to rehearsal or recording, so that the make-up and/or costuming time shall immediately precede such rehearsal or recording.

L. ADVANCE NOTICE OF REHEARSAL

(1) The contractor or leader shall be furnished with a rehearsal schedule at least 24 hours before the first rehearsal for a program, except where broadcast or studio schedules cannot be determined due to unanticipated developments. In addition, the contractor or leader shall be furnished with a copy of the engineering schedule or equivalent information.

(2) Musicians will be notified prior to first day of rehearsal the starting and finishing time of each day's call. On any day prior to final day of taping the finishing time cannot be extended beyond one hour without the musician being free to leave the engagement without being disciplined.

(3) For specials (i.e., all shows other than strips or weekly series shows) - The starting time of a call for a day of air (live) or the last day of taping may not be changed (i.e., delayed or advanced) after 12 noon of the prior day, if the change is for more than two hours. On all other rehearsal days, no such change of more than two hours may be made prior to 12 noon of the second prior day.

(4) For all strips and weekly series shows - The starting time of a call for a day of air (live) or the last day of taping may not be changed (i.e. delayed or advanced) after 6:00 PM of the prior day, if the change is for more than two hours. On all other rehearsal days, no such change of more than two hours may be made prior to 6:00 PM of the second prior day.

M. CANCELLATION OF ENGAGEMENTS

An engagement once called shall not be cancelled or postponed less than four (4) days prior to the date of the call. In the event of an emergency, an engagement may be cancelled or postponed upon shorter notice with the consent of the Office of the President of the Federation.

N. BANK ACTS

(1) The Federation will be given notice by the company of all bank act sessions (i.e., an act made for a program other than the one for which the musician was engaged). The company will also give notice to the Federation of the program in which the bank act is broadcast.

(2) Bank Acts will be made for a particular program series and cannot be used in a Variety Special show.

(3) There must be a live orchestra engaged on every show in which bank acts are to be exhibited.

(4) Musicians performing on a bank act shall be paid for the actual hours worked on such bank act and in addition for a three hour minimum call.

(5) Musicians who perform on a bank act and are not engaged for the program in which the bank act is exhibited will additionally receive the air rate for the program plus an amount to equal the minimum guaranteed rehearsal hours applicable to said program.

(6) Reuse payments for musicians who perform on a bank act and are not engaged for the program in which the bank act is exhibited shall be based on the air rate plus minimum rehearsal hours required for such program.

(7) Reuse payments for arrangers, orchestrators and copyists who prepare music for a bank act shall be based on actual wages earned at scale but in no event shall an arranger or orchestrator receive more than that of the leader nor a copyist receive more than that of an instrumentalist.

O. RUN OF SHOW GUARANTEE

An instrumentalist who is engaged to perform on a weekly variety show and who is retained on such show for a period of more than two consecutive shows, and an instrumentalist who is engaged to perform on a strip variety show and who is retained on such show for a period of one week may not be replaced without his/her consent by another instrumentalist who is to play the same basic instrument on that show, except for just cause, or at the end of any thirteen week cycle of that show. This commitment shall be reciprocal, and therefore if any such instrumentalist fails to appear personally for a session for which he/she has been called, except with the prior consent of the leader or contractor and the Producer, he/she shall no longer be entitled to the protection of this clause. Such consent shall not be necessary when failure to appear is beyond the control

of the instrumentalist. On the strip variety shows the protection of this section does not apply to those instrumentalists who augment or play in the orchestra when the show goes out of town and those instrumentalists at home that may not go out of town are protected when the show returns home.

P. LATE PAYMENT PENALTIES

If the Employer fails to pay any musician covered by this agreement within the time periods established by same, the following schedule of late penalty payments will become due and payable:

(a) A penalty of 5% of the above-mentioned amount due and unpaid if the delinquent payment is made within 5 days (excluding Saturday, Sunday and holidays) after payment was due.

(b) A penalty of 7-1/2% of the above-mentioned amount due and unpaid (excluding the penalty in (a) above) if the delinquent payment is made between the 6th and 10th business days (excluding Saturday, Sunday and holidays) after payment was due.

(c) A penalty of 10% of the above-mentioned amount due and unpaid (excluding the penalty in (a) and (b) above) if the delinquent payment is made between the 11th and 15th business days (excluding Saturday, Sunday and holidays) after payment was due.

(d) A penalty of 15% of the above-mentioned amount due and unpaid (excluding the penalty in (a), (b) and (c) above) if the delinquent payment is made between the 16th and 30th business days (excluding Saturday, Sunday and holidays) after payment was due.

(e) A penalty of 20% of the above-mentioned amount due and unpaid (excluding the penalty in (a), (b), (c) and (d) above) if the delinquent payment is made between the 31st and 50th business days (excluding Saturday, Sunday and holidays) after payment was due.

(f) Payments made after such 50th business days shall require in lieu of the said additional 20% payment, the payment of an additional amount equal to 50% (fifty percent) of the initial amount payable plus an additional 10% payment for each thirty days after the 50th day in which payment is not made. Such 50% and 10% payments shall not be required unless written notice has been given (which may not be given before the 31st day after the date of receipt of their completed billings and all necessary and completed W-4 forms) that the Employer is delinquent and the Employer has not made the payment within fifteen (15) business days after receipt of such notice.

(g) The above delinquent payment penalties shall not apply to payments which have not been made by the Company by reason of:

(i) A bona fide dispute as to the amount due and payable notice of which shall be filed within five (5) business days following receipt of bills with the local of the Federation in whose jurisdiction the work was performed.

(ii) Emergencies beyond the control of the Company.

(iii) Where the Company inadvertently makes a less than full payment and presentation of the claim for the remainder is deliberately delayed in an attempt to collect a penalty.

(iv) Where the delay is due to the failure of a musician to return a W-4 form.

Q. THEME MUSIC

(1) Themes will contain only music for program openings and closings. There will be no bridges or cues made under this category.

(2) Production of generic and umbrella themes are permitted under the terms of this agreement provided, however, that if same are used as a theme for a specific program series additional payments will be made as follows:

The minimum scale shall be \$233.00 effective 2/1/02; \$233.00 effective 2/1/03 and \$237.65 effective 2/1/04 per sidemusician for a minimum session of three (3) hours. Related overtime shall be on a pro rata basis for each additional 15 minutes or fraction thereof. For leaders and for contractors the minimum scale shall be as required under Paragraph A of this Exhibit I. A single musician (other than rehearsal musician) shall receive an additional 25% of scale.

(3) Any generic or umbrella theme music used for promotional purposes shall be paid for in accordance with the provisions of the preceding paragraph, and limited in its use to a promotion of a program or a series of programs and may not be utilized for more than fifty-two (52) weeks.

(4) The amount of finished music product made in a theme session, including units of related overtime, cannot exceed three (3) minutes in length.

(5) The minimum scales shall be as provided in Q. (2) above.

(6) Theme music may be utilized for 52 weeks on any program series.

- (7) Theme music utilized beyond the cycle outlined in paragraph six (6) above will require a 100% repayment to each musician, arranger, orchestrator and copyist involved in the original production.

R. SPLITTING OF ORCHESTRA

The Company will not be permitted to split an orchestra engaged for any program produced under the terms of this agreement except as follows:

1. Guest conductors
2. Featured instrumentalists not to exceed three (3) accompanying guest artist.
3. Self-contained groups.
4. Orchestras from a city other than that from where the program is being produced when called upon to perform for a single segment production number.
5. Instrumentalists called to augment the basic orchestra as required by program featured artist.

S. MUSIC SOUND CONSULTANT

If a musician is engaged to perform services in the booth in assisting or advising the producer or sound technician during the taping of a program as to the musical sound quality being recorded, he/she shall be paid at the rate of \$71.90 (\$71.90 2/1/03, \$73.35 2/1/04) for each hour he/she so performs, or for such work in excess of eight (8) hours in any day, at time and one-half (1-1/2) such rate; and upon a second or subsequent showing of the program as provided in Article 10 he/she shall receive the percentages of such scale payments provided for in said Article 10. Such amounts may be credited against any overscale payments for musical services hereunder. The leader or contractor on that program may not also serve in this capacity.

T. NEW DEVICES

Electronic instruments may be used creatively for the unusual sounds these instruments are capable of producing, but shall not be used to displace sections of traditional musical instruments without the prior approval of the President's Office of the Federation.

U. USE OF MUSIC IN NEWS AND MAGAZINE PROGRAMS

(a) Music in a news piece can only be used with the picture in connection with which it was originally recorded.

(b) If recorded on location and exceeds two minutes in length, the one-half hour "Other Program" air rate will apply.

(c) In the event the music is not directly related to the story being covered or is part of the general background, payment will not be required. Same applies if the music is part of an event such as a parade, sport presentation or other public spectacle.

(d) In respect to the use of musical performers in the course of broadcasting news stories, the parties will, as in the past, deal with these on a case-by-case basis.

V. INCOMPLETE TRACKS

1. Where self-contained groups appear on a program, incomplete tracks of phonograph recordings which they have made may be used by them without restriction or additional payment beyond the rates for the television broadcast itself. Incomplete tracks may not otherwise be used without the prior consent of the President's Office of the American Federation of Musicians.

2. Where such permission is given to use incomplete tracks in situations not involving self-contained groups the following payments will be required:

(a) to the recording and music preparation musicians who made the original record, the air rate plus minimum guaranteed rehearsal;

(b) to the "in-studio" orchestras, an additional two hours rehearsal pay for the first track used and one additional hour for each additional track.

3. Where a self-contained group uses a track which contains musicians other than the group itself, payments in accordance with subparagraph (2) shall be made except that the group itself shall be treated under subparagraph (1).

W. TRAVEL

If the Company requires a musician to travel out of town, the Company will reimburse such musician for all reasonable and necessary travel expenses including cost of hotel if the musician is required to stay overnight.

Exhibit II

BASIC RATES FOR PRODUCTION MUSICIANS

<u>A. HOURLY EMPLOYMENT</u>	<u>2/1/02</u>	<u>2/1/03</u>	<u>2/1/04</u>
A minimum call of two (2) hours, rate per hour	\$71.90	\$71.90	\$73.35

PREMIUM PAY

(i) For all work performed beyond an eight (8) hour time spread in any day, between the hours of 8:00 a.m. and 12 midnight, payment shall be at time and one-half of the hourly rehearsal rate computed in 15 minute segments.

(ii) For all work between 12 midnight and 8:00 a.m. payment shall be at time and one-half of the hourly rehearsal rate computed in 15 minute segments.

(iii) For all work beyond an eight (8) hour time spread on any day between the hours of 12 midnight and 8:00 a.m., payment shall be double the hourly rehearsal rate computed in 15 minute segments.

(iv) For all work performed on any of the following holidays, 200% of the basic session and overtime rates shall be paid:

In the United States: New Year's Day, Memorial Day, Labor Day, Thanksgiving, Christmas and Presidents Day.

In Canada: New Year's Day, Good Friday, Labour Day, Dominion Day and Christmas.

Each of these holidays shall be observed on the day on which it is observed by employees of the United States Government or of the Government of Canada.

B. (1) Whenever the musical services of production musicians are recorded or videotaped they shall subsequently be considered an integral part of the program orchestra thus invoking provisions of Paragraph R of Exhibit I.

(2) Production musicians may also be employed as members of the program orchestra and it is therefore recognized that musical services for production musicians and those of the program orchestra are two separate services, however, the services of a production drummer who is not a member of the program orchestra may be recorded or videotaped with the program orchestra in those production numbers in which such drummer had rehearsed during pre-production without invoking the provision of Paragraph R. For such services the production drummer shall receive payment for all hours so worked, but in no event less than the applicable air rate plus guaranteed rehearsal. The orchestra drummer rather than the production drummer shall be covered by Paragraph J with respect to use of that recording at rehearsals.

(3) Production musicians hours not devoted to recording and/or videotaping do not invoke Paragraph R.

Exhibit III

MUSIC PREPARATION SERVICES

Arrangers, orchestrators and copyists shall be paid not less than the rates set forth below and the conditions set forth shall apply.

A. ARRANGERS

(1) Definition: Arranging is the art of preparing and adapting an already written composition for presentation in other than its original form. An arrangement shall include reharmonization, paraphrasing and/or development of a composition so that it fully represents the melodic, harmonic and rhythmic structure and requires no changes or additions.

(2) Minimum Rates: Since arranging represents highly individual skills, the wages paid for arranging are left to the discretion of the person doing the work, provided, however, that the wages shall never be less than provided for in paragraph B.

(3) Credits: On any program where the leader receives name credit, arrangers and orchestrators performing services on said show shall receive similar name credit.

B. ORCHESTRATORS

(1) Definition: Orchestrating is the labor of scoring the various voices and/or instruments of an arrangement without changing or adding to the melodies, counter-melodies, harmonies and rhythms.

(2) Time Rates for Orchestrators: May be used only on adjustments, work at rehearsals, take downs, alterations, additions and in other situations where page rates are impractical. The hourly rates for time work shall be \$41.38 2/1/02, \$41.38 2/1/03 and \$42.21 2/1/04

(3) Page rates for orchestrators (subject to the rules of paragraph B(4):)

(a) For not more than ten lines per score page:

	<u>2/1/02</u>	<u>2/1/03</u>	<u>2/1/04</u>
(i) Orchestrating an arrangement per page	\$27.58	\$27.58	\$28.13
(ii) Revoicing a score	\$12.16	\$12.16	\$12.40
(a) For each additional single line part in excess of ten parts per score page	\$ 1.08	\$ 1.08	\$ 1.10
(b) For adding lines to a score already orchestrated (other than revoicing a score) when performed by the original orchestrator, per score page, per line \$137.00 2/1/02, \$137.00 2/1/03 & \$139.74 2/1/04. Any other orchestrator will be paid in accordance with (a)(i) above.			
c) For adding piano part, per score page	\$ 2.79	\$ 2.79	\$ 2.85
(d) Orchestrating the part without score, the combined rate for orchestrating and copying			

Miscellaneous (not in the orchestra score):

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	<u>2/1/02</u>	<u>2/1/03</u>	<u>2/1/04</u>
(e) For taking down a lead from voice, instrument or mechanical device including symbols (single line each 4 bar unit).	\$ 6.94	\$ 6.94	\$ 7.08
(f) For scoring a two line or three line piano conductor part from an orchestral score each 4 bar unit (2 lines).	\$12.85	\$12.85	\$13.11
Each 4 bar unit (3 lines)	\$17.02	\$17.02	\$17.36
(g) For scoring for solo piano, harp, accordion, etc., for individual performances each 4 bar unit (2 lines).....	\$12.85	\$12.85	\$13.11
Each 4 bar unit (3 lines)	\$17.02	\$17.02	\$17.36
(h) For scoring for (choral) voices (a page to consist of not more than four voices, which may include a piano part), with come sopras being paid for	\$12.05	\$12.05	\$12.29
Each additional voice	\$ 1.08	\$ 1.08	\$ 1.10

(4) The following rules shall apply to page rates:

- (a) A score page consists of four bars and shall be computed on the basis of a minimum of ten lines.
- (b) Double staff and divisi parts shall count as two lines.
- (c) A pick-up shall be computed as a full bar.
- (d) Come sopras shall be paid for.
- (e) Repeats shall not be used within a chorus to reduce the wage paid (but repeats, del cegano and the like, which appear in the composition are permissible).
- (f) Rates shall be computed on page and half-page rates, except that the first page shall be paid in full rather than pro rated.
- (g) The page rates do not include proofreading service.
- (h) Voices and conductor parts written into a score, except those covered in B(3)(i), shall be treated as instrumental parts.
- (i) The word "piano" shall be deemed to include organ, harp, celeste, harpsichord, accordion, cimbalom, etc., when written on two staves.

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2/1/02

2/1/03

2/1/04

C. COPYISTS

(1) Applicability: The minimum rates set forth in this Section C shall apply as follows:

(2) Time Rates for Copyists: May be used only on pasting, cutting, production lines and in other situations where page rates are impractical.

The hourly rate for time work shall be: \$24.85 \$24.85 \$25.35

(3) PAGE RATES FOR COPYING

Exhibit III

Page rates for copyists shall be as follows (subject to the rules set forth in paragraph C(3):)

			<u>2/1/02</u> B&W	<u>2/1/03</u> B&W	<u>2/1/04</u> B&W
1.	a.	Single stave parts (single notation)	\$ 4.49	\$ 4.49	\$ 4.58
	b.	Single stave parts -- chorded, or divisi ...	\$ 9.03	\$ 9.03	\$ 9.21
2.	a.	Double stave parts chorded (piano, harp, organ, celeste, etc.)	\$ 9.03	\$ 9.03	\$ 9.21
	b.	+ vocal cue	\$ 10.42	\$ 10.42	\$ 10.63
3.	a.	Rhythm piano parts (chord symbols + bass line)	\$ 7.42	\$ 7.42	\$ 7.57
	b.	+ vocal cue	\$ 9.72	\$ 9.72	\$ 9.91

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		<u>2/1/02</u> B&W	<u>2/1/03</u> B&W	<u>2/1/04</u> B&W
4.	Piano-vocal (3 staves with lyrics)	\$ 13.52	\$ 13.52	\$ 13.79
		(piano cued & lyric rate)		
5.	Lead sheet (melody + chord symbols + lyrics, one set) ..	\$ 22.51	\$ 22.51	\$ 22.96

VOCAL PARTS

6.	a.	Single voice line + lyrics (1 set)	\$ 9.03	\$ 9.03	\$ 9.22
	b.	Foreign language lyrics, extra page	\$ 2.03	\$ 2.03	\$ 2.07
7.	a.	Choir part with lyrics (1 set)	\$ 19.46	\$19.46	\$ 19.85
	b.	Foreign language extra page	\$ 3.28	\$ 3.28	\$ 3.35

CONDUCTOR PARTS:

8.	a.	Conductor, piano conductor production, control, etc. (two staves only)	\$ 25.33	\$25.33	\$25.84
	b.	Constructing chorded piano or conductor part (when no piano in score)	\$ 45.65	\$ 45.65	\$ 46.56
	c.	Conductor's lead sheet (single stave) no words or lyrics	\$ 18.02	\$18.02	\$18.38

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		<u>2/1/02</u>	<u>2/1/03</u>	<u>2/1/04</u>
		B&W	B&W	B&W
9 .ADDING LYRICS OR WORDS:				
	(per set, per page)			
a.	Single stave parts	\$ 2.26	\$ 2.26	\$ 2.31
b.	Multiple stave parts	\$ 2.26	\$ 2.26	\$ 2.31
c.	Foreign language	Double above rates		
10. NUMBERING BARS:				
	(per page) B&W	\$.96	\$.96	\$.98
	Repro	\$ 1.89	\$ 1.89	\$ 1.93
11. CHORD SYMBOLS	(where added, per page)			
a. Single Stave parts	B&W	\$ 2.33	\$ 2.33	\$ 2.38
	Repro	\$ 4.46	\$ 4.46	\$ 4.55
b. Multiple stave parts	B&W	\$ 1.21	\$ 1.21	\$ 1.23
	Repro	\$ 2.26	\$ 2.26	\$ 2.31
12. Any part for solo performance				+50%
13. Special routines.....				+50%
14. Symphony rate:.....				+50%
				%
15. Transposition.....				+50%
				%
16. Master copy for reproduction				
(all parts not listed).....			Double part price	

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	<u>2/1/02</u> B&W	<u>2/1/03</u> B&W	<u>2/1/04</u> B&W
17. Time work			
a. From 9:00 a.m. to 6:00 p.m. (straight time)	\$ 24.85	\$ 24.85	\$ 25.35
b. From 6:00 p.m. to 9:00 a.m. (time and 1/2)	\$ 37.22	\$ 37.22	\$ 37.96
c. Sundays and holidays (double time)	\$ 49.65	\$ 49.65	\$ 50.64
18. Adding symbols (other than chord symbols) for electronic instruments or devices			
a. Single stave parts	\$ 2.34	\$ 2.34	\$ 2.39
b. Multiple stave parts	\$ 1.28	\$ 1.28	\$ 1.31

(4) The following rules shall apply to page rates:

(a) For duplicating orchestra and bank scores (note for note), the minimum rate shall be one-half of the orchestrating rate for scoring same.

(b) For remaking a score from regular parts, the minimum rate shall be one-third of the orchestrating rate for scoring same.

(c) Modulations, new introductions, endings and interpolations from piano shall be paid for at orchestrating rates.

(d) Symphony, opera, cantata, oratorio, ballet or any other standard or classical music (copies, transcriptions, extractions) shall be paid for at one-half more than the rates listed.

(e) Special routine work (writing only) where two or more scores or orchestral parts must be used or referred to in extracting the parts shall be paid for at fifty (50%) percent more than the rates listed, provided that if such work requires a transposition of parts, for the parts so transposed, there shall be an extra charge of fifty (50%) percent of the listed rates

(f) The contracting copyist shall be designated as a supervisor copyist and he/she shall be paid for his/her services 25% more than the listed rates for the work with respect to which he/she acts (including copying done by him/her) when the services of more than one copyist are necessary to complete the work assigned.

(g) When two or more copyists are required to split scores for the convenience of the Employer, each copyist shall be paid at page and half-page rates for the section copied by him/her but not less than the applicable hourly rate.

(h) Rates for copying do not include any proofreading services. Proofreading, if required by the Employer, shall be paid for at the rate of \$36.00 2/1/02, \$36.00 2/1/03 and \$36.72 2/1/04 per hour and with a two hour minimum call to be applicable to such rate.

(i) Divisi parts shall be paid for on a pro rata basis.

(j) Editing shall be paid for at the copying rate plus 50%.

(k) Rates shall be computed on the basis of ten stave paper except that parts requiring three or more braced staves shall be written on twelve stave paper, unless impractical.

(l) Rates shall be computed on page and half-page rates except that the first page shall be paid in full rather than pro rated.

(m) An average of four bars per stave shall be secured, if possible, and two staves of the first page (or any following pages, if necessary) shall be used for titles or other written items.

(n) The copyist who prepared the original part shall be paid the listed rate for any reproduction thereof by any mechanical means whatsoever except where a master copy was previously paid for at the rate listed.

(o) All paper and necessary working material shall be supplied by the Employer or furnished by the copyist at cost.

(p) Transposition of all parts shall be paid for at fifty (50%) percent more than the listed rates.

(q) Use of rehearsal letters every two, three or four bars or to circumvent payment for numbering shall not be deemed normal use.

(r) Copying from a score in which three or more parts are combined on a single stave -- 50% additional for those parts only.

D. LIBRARIANS

Librarians required to do arranging, orchestrating and/or copying music shall be paid page rate respectively for such arranging, orchestrating and/or copying, in addition to their regular salary. For all hours worked in excess of 8 in any day (excluding the meal period), time and one-half shall be paid. For all hours worked between 12:00 midnight and 8:00 a.m., 50% additional to the classified rate shall be paid.

	<u>2/1/02</u> B&W	<u>2/1/03</u> B&W	<u>2/1/04</u> B&W
Playing librarians shall receive for their services as librarians with minimum time, two (2) hours, per hour or fraction thereof.....	\$ 39.37	\$ 39.37	\$ 40.16
Non-playing librarians shall receive for their services as librarians a minimum for two hours service or less	\$128.44	\$128.44	\$131.01
Overtime, above the minimum two hour call, shall be paid for at rate per hour or fraction thereof	\$ 42.93	\$ 42.93	<u>\$ 43.79</u>
Non-playing librarians required to work on day other than day of broadcast, per hour	\$ 42.93	\$ 42.93	\$ 43.79

E. GENERAL RULES APPLICABLE TO ARRANGERS,
ORCHESTRATORS AND COPYISTS

(1) The arranger or orchestrator shall deliver to the copyists a full score. A full score is 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 no other than two instruments are combined on a single staff. Abbreviations by come sopra and/or col indications within the same score may be used.

(2) If arrangements, orchestrations and parts (or any portion thereof) resulting from music preparation services performed in a category other than programs produced for Non-Standard Television are used for such programs, a first time new use payment shall be made in full at the rate applicable hereunder, to all music preparation musicians who rendered such original services. Music first used on television for a legitimate Telethon shall not be considered as a first use on television for purposes of computing new use payment.

(3) Arrangers, orchestrators and copyists shall stamp the first and last pages of all arrangements and score and the first page of all parts with their official union stamp. Card number, local and year must be written on deshon master copy.

(4) Minimum pay for any job assignment shall be no less than the equivalent of a four (4) hour call at the applicable hourly rate.

(5) Orchestrators and copyists shall receive the following premium rates:

(a) For work from 6:00 p.m. to 9:00 a.m., the listed rate plus one-half.

(b) For work performed on the same job at any time following a call back less than eight hours after prior dismissal during premium pay hour, the listed rate plus one-half.

(c) For work in excess of eight hours in one day, the listed rate plus one-half.

(d) For work in the U.S. on Sundays and the following holidays: New Year's Day, Lincoln's Birthday, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, double the listed rate.

(6) If the Employer requests an orchestrator or copyist to work in a city other than the one in which he/she resides or in his/her normal working environs in which he/she is customarily employed, such work shall be paid for at the listed rate plus 25%. In the case of an Orchestrator, the Employer shall guarantee a minimum of \$110.00 per day. In the case of a Copyist, the Employer shall guarantee a minimum of \$85.00 per day. In such cases, the Employer will reimburse all reasonable and necessary travel expenses, including meals and including the cost of hotel if such orchestrator or copyist is required to stay away overnight.

(7) Orchestrators will not be required to attend program recording sessions unless engaged as Music Sound Consultant.

(8) Payments for music preparation are due not later than twenty-one (21) working days following submission of W-4 forms and bills for services rendered.

(9) PICK-UP AND MESSENGER SERVICE. Pick up and messenger service shall be paid by the Employer.

(10) Music prepared for a program under the terms of this agreement shall not be furnished to any artist or other person.

(11) On variety shows, it shall be the responsibility of the leader, unless Producer designates contractor or librarian, to prepare a Music Report which lists the musical selection, the artist, the arranger or orchestrator, the copyist, the number of bars of music in the arrangement, and the instrumentation of the orchestra in the show; and shall indicate as to each selection whether it was prepared for the show and if not, when and where, if then known, it was previously used in the production of a television program. Within five (5) days after production the preparer shall submit a copy of such report to the Producer and Local. This Report is for informational purposes only and shall not create any obligation on the Producer.

Exhibit IV

NON-STANDARD (PAY-TV)
GRIEVANCE FORM

TO: _____

_____ hereby files a grievance
(Grievant)

against _____ pursuant to

(Name of Party)

Section _____ of the Agreement.

(AFM Report Form #)
Attach copy

Nature of Claim:

(Briefly describe above the action taken which allegedly violates this Agreement. State the date(s) and location where that action took place; the name of the individuals who took such action; and the specific provision(s) of the Agreement that allegedly were violated.)

Nature of remedy or relief requested:

Dated: _____
(Grievant's signature and address)

Resolution, if any: _____

9. PLAY DATES

For the rates specified in Exhibits I, II, and III, the Employer will be permitted to exhibit a program produced under the terms of this agreement on Non-Standard Television on eight play dates within six consecutive months after the first exhibition in each market, and shall also have the options (1) of fifteen play dates within eighteen months of the first exhibition by paying 50% additional over and above the initial scale wages to the musicians ("Option I"); and (2) of twenty play dates within two years of the first exhibition by paying 75% additional over and above the initial scale wages to the musicians ("Option II"); and (3) of thirty play dates within three years of the first exhibition by paying 150% additional over and above the initial scale wages to the musicians ("Option III"), provided, however, that any such option must be exercised prior to or during the production of that particular program.

For the purpose of this agreement the term "play dates" is deemed to mean any consecutive twenty-four hour period during which any applicable program is exhibited one or more times in each market.

10. REUSE

Reuse periods shall each consist of twelve consecutive months during which seven additional play dates shall be permitted upon payment of the percentages listed below. The following percentages of the scale payment set forth in Exhibits I and II hereto shall be paid within fifteen (15) business days of such reuse to each instrumentalist, leader, contractor and music sound consultant who originally performed services in connection with such program (including but not limited to rehearsal services rendered prior to performance).

<u>REUSE PERIOD</u>	<u>PERCENTAGES</u>
Second	75
Third	75
Fourth	50
Fifth	50
Sixth	50
Seventh	10
Eighth and each subsequent period	5

Arrangers, orchestrators, and production musicians shall receive the applicable percentage payment for reuse based upon actual wages earned at scale, but in no event shall such reuse payment exceed 150% of the reuse payment to the leader computed at leader's scale. Notwithstanding the foregoing, in the event that Employer exercises Option I, Option II or Option III described above in Article 9, arrangers, orchestrators, and production musicians shall receive the applicable percentage payment for the option period based upon actual wages earned at scale, but in no event shall the amount of such payment in excess of the initial scale wages exceed 200% of the amount by which the payment to the leader computed at leader's scale exceeds the initial scale wages of the leader.

Copyists and librarians shall receive the applicable percentage payment for reuse based upon actual wages earned at scale, but in no event shall such reuse payment exceed 150% of the reuse payment to the instrumentalist computed at scale.

Notwithstanding the foregoing, in the event that Employer exercises Option I, Option II or Option III described above at Article 9, copyists and librarians shall receive the applicable percentage payments for reuse based upon actual wages earned at scale, but in no event shall such reuse payment exceed 200% of the reuse payment to the leader computed at scale.

Reuse payments shall be made to arrangers, orchestrators, copyists and librarians, only and to the extent the services of such arrangers, orchestrators, copyists and librarians are used in the program as exhibited.

Where excessive rehearsal hours have resulted from mechanical difficulties and/or failure of equipment, the number of rehearsal hours to be included in the scale pay for the purpose of determining the percentage payments due under this paragraph shall be limited as follows: for a one-half hour program -- a maximum of 10 hours; for a one hour program -- a maximum of 15 hours; for a one and one-half hour or longer program -- a maximum of 20 hours.

11. FOREIGN USE

(A) (1) Programs made under this and prior agreements (except for programs already exhibited in foreign countries and programs such as awards shows, beauty pageants, circuses and ice shows, etc., which prior to this agreement were regularly sold with world-wide exhibition) may be broadcast, (without limits as to number of showings) by means of satellite, non-standard television, recording or other means now or hereafter developed, outside the United States, its territories and possessions (including Puerto Rico) and outside Canada and its territories and possessions, upon television stations where no admission is charged for the privilege of attending or viewing such broadcast, before, during, or after transmission over television, upon payment to each instrumentalist, leader, contractor, production musician, arranger, orchestrator, copyist and librarian who performed services in connection with such program of additional compensation as set forth below, expressed as 150% of applicable minimum scale (air rate plus guaranteed rehearsal) set forth in Exhibit I for programs one hour or less hereof and 125% for programs over one hour, such amount referred to in this section hereafter as the "Foreign Residual Base".

(a) 15% of the Foreign Residual Base for such program not later than 60 days after the first foreign telecast thereof;

(b) an additional 10% of the Foreign Residual Base for such program when the Distributor's Foreign Gross of any such television program has exceeded: \$7,000 for a program of one half hour or less; \$13,000 for a program of more than one half hour but not more than one hour; or \$18,000 if such program is more than one hour in length - payable not later than 60 days after such gross has been so exceeded;

(c) an additional 10% of the Foreign Residual Base for such program when the Distributor's Foreign Gross of any such television program has exceeded: \$10,000 for a program of one half hour or less; \$18,000 for a program of more than one half hour but not more than one hour; or \$24,000 if such program is one hour or more in length - payable not later than 60 days after such gross has been so exceeded.

(d) After payment of the amounts specified in (a), (b) and (c) above with respect to any program, no further sums shall be payable for foreign telecasting of such program.

(2) As used herein the term "Distributor's Foreign Gross" shall mean, with respect to any such program, the absolute gross income realized by the distributor of such program from the foreign telecasting thereof and including, in the case of a "foreign territorial sale" by any such distributor, the income realized from such sale by such distributor but not the income realized by the "purchaser" or "licensee". The phrase "absolute gross income" shall not include:

(a) Sums realized or held by the way of deposits or security until and unless earned, other than such sums as are non-returnable.

(b) Sums required to be paid or withheld as taxed, in the nature of turnover taxes, sales taxes or similar taxes based on the actual receipts of the program or on any monies to be remitted to or by the distributor, but there shall not be excluded from distributor's foreign gross any net income, franchise tax or excess profit tax or similar tax payable by the distributor on its net income or for the privilege of doing business.

(c) Frozen foreign currency until the distributor shall have either the right to use such foreign currency in or to transmit such foreign currency from the country or territory where it is frozen. In the event such currency may be utilized or transmitted as aforesaid, it shall be deemed to have been converted to United States dollars at the prevailing free market rate of exchange at the time such right to use or transmit it accrues.

Distributor's foreign gross realized in foreign currency in any reporting period required hereunder, shall be deemed to be converted to United States dollars at the prevailing free market rate of exchange at the close of such reporting period.

If any transaction involving any program subject to a foreign telecast payment under this agreement shall also include programs, broadcast time, broadcast facilities or material (including commercial or advertising material) which are not subject to such payment, there shall be a reasonable allocation between the programs which are subject to a foreign telecast payment and such other programs, time, facilities or material, and only the sums properly allocable to programs which are subject to a foreign telecast payment shall be included in Distributor's Foreign Gross.

(C) The rates of pay applicable to programs made under this agreement and transmitted by means of satellite, non-standard TV, recording or other means now or hereafter developed, for broadcast only in the foreign areas set forth above (without limit as to number of showings), shall be 75% of the scale pay set forth in Exhibits I, II and III hereto.

(D) Foreign use payments shall be due and payable not later than sixty (60) days following the date of foreign broadcast.

(E) Where excessive rehearsal hours have resulted from mechanical difficulties and/or failure of equipment, the number of rehearsal hours to be included in the scale pay for the purpose of determining the percentage payments due under this paragraph shall be limited as follows: for a one-half hour program -- a maximum of 10 hours; for a one hour program -- a maximum of 15 hours; for a one and one-half hour or longer program -- a maximum of 20 hours.

(F) Foreign Use of Live Programs Transmitted by Means of
Satellite or Other Similar Devices.

(i) Live programs made under this agreement, or any Local agreement of even date herewith, and transmitted by means of satellite, non-standard or other devices now or hereafter developed for broadcast in foreign areas simultaneous with or subsequent to the broadcast in an area set forth in this agreement, shall be subject to the rates and conditions set forth in paragraph (A) above.

(ii) Live programs made under this agreement, or any Local agreement of even date herewith, and transmitted by means of satellite, non-standard or other devices now or hereafter developed, for broadcast in foreign areas only, shall be subject to the rates and conditions set forth in paragraph (C) above.

12. AUDITION PROGRAMS

(A) Right to Produce.

Employer may use persons covered by this agreement in the production of audition programs to solicit sponsors for live shows, subject, however, to the following conditions:

(i) Rates of Pay: The rates for audition programs shall be 60% of the scale pay set forth in Exhibits I, II and III.

