

September 13, 2018

**MEMORANDUM OF AGREEMENT OF AUGUST 1, 2018 BETWEEN
ALLIANCE OF MOTION PICTURE AND TELEVISION PRODUCERS AND
STUDIO TRANSPORTATION DRIVERS, LOCAL #399 (LOCATION MANAGERS)**

This Memorandum of Agreement reflects the complete understanding reached with respect to changes in the 2015 Location Managers Agreement between Studio Transportation Drivers, Local #399 (hereinafter "the Union"), on the one hand, and the Alliance of Motion Picture and Television Producers (hereinafter "the AMPTP"), on behalf of those Producers listed on Exhibit A attached hereto (each hereinafter respectively referred to as the "Producer" and collectively referred to as the "Producers"), on the other hand.

This Memorandum of Agreement reflects the complete understanding reached between the parties. As soon as practicable, this Memorandum of Agreement will be reduced to formal contract language. This Memorandum of Agreement is not contract language, except where the context clearly indicates otherwise. The provisions of the Memorandum of Agreement are subject to ratification by the membership of Studio Transportation Drivers, Local #399 (Location Managers).

EFFECT OF CHANGES

All of the provisions of the current collective bargaining agreement between these parties shall remain the same unless otherwise specifically changed as noted herein.

The appropriate provisions herein shall be incorporated in the 2015 Producer – Studio Transportation Drivers, Local #399 (Location Managers) Agreement (hereinafter the "2015 Agreement") to create the 2018 Producer – Studio Transportation Drivers, Local #399 (Location Managers) Agreement (hereinafter "the Agreement").

Provided that the AMPTP receives notice of ratification on or before October 15, 2018, the provisions herein shall be effective on the first Sunday following notice of ratification, unless a contrary date is specified, in which case such provision shall be effective as of the date so specified.

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

1. Term

The term of the Agreement shall be for three (3) years, commencing on August 1, 2018 and terminating on July 31, 2021.

2. **Wages**

Minimum wage rates in the 2015 Agreement shall be increased by three percent (3%) effective July 29, 2018, by an additional two and one-half percent (2.5%) effective August 4, 2019 and by an additional two and one-half percent (2.5%) effective August 2, 2020. These increases shall be compounded.

3. **Pension, Health and Individual Account Plan**

a. *Modify the first paragraph of Article 13A(a) as follows:*

“(a) The Producer shall contribute to the Motion Picture Industry Individual Account Plan, on behalf of each employee employed by the Producer hereunder, ~~six~~ seven percent ~~(6%)~~ (7%) of the scale "on call" rate for each such employee during the period ~~August 1, 2015~~ July 29, 2018 to and including ~~July 30, 2016~~ August 3, 2019 ~~(six~~ seven and one-half percent ~~(6.5%)~~ (7.5%) for the period ~~July 31, 2016~~ August 4, 2019 to and including ~~29, 2017~~ August 1, 2020 and ~~seven~~ eight percent ~~(7%)~~ (8%) for the period ~~July 30, 2017~~ August 2, 2020 to and including ~~July 31, 2018~~ July 31, 2021.”

b. *Provide for a 13th and/or 14th check by modifying Article 13(f)(2) as follows:*

“(2) The bargaining parties agree to recommend to the Directors of the Pension Plan that the Pension Plan provide a thirteenth and fourteenth check on or about November 1st of each year of this Agreement to those retirees who retired on or before August 1, 2009, provided that the Pension Plan’s actuaries, in conjunction with the Health Plans’ consultants, determine, taking into account the costs of such thirteenth and fourteenth checks, that (i) at least eight (8) months of reserves exist in each of the Active Employees Fund and the Retired Employees Fund at that time; (ii) the Plan is certified to be in the Green Zone in the calendar year in which the check(s) are paid; (iii) ~~to remain in compliance with the Pension Relief Act of 2010, the Plan actuary provides the Plan, for any thirteenth and fourteenth checks in 2015 and 2016, with a certification that satisfies the requirements of Internal Revenue Code Section 431(b)(8)(D)(i), including, but not limited to, a certification that the thirteenth and fourteenth checks, if any, granted in 2015 and 2016 are funded by additional contributions not previously allocated to the Plan;~~ (iv) the cost of thirteenth and fourteenth checks, if any, granted in 2017 during the term of the Agreement shall be amortized over twelve (12) years the current fifteen (15) year amortization period commencing January 1, 2017; and (iv) if there are insufficient funds in the Pension Plan after accounting for existing obligations to provide both a thirteenth and fourteenth check, then a thirteenth check will be provided.”

Make conforming changes.

c. **Additional Contributions**

- i. Increase the hourly Health Plan contribution rate set forth in Article 12(b) for any Producer which qualifies as a “\$15 Million Contributor” (see below) by twenty cents (\$0.20) for each hour worked by or guaranteed an employee effective July 29, 2018; by an additional ten cents (\$0.10) per hour worked by or guaranteed an employee effective August 4, 2019; and by an additional ten cents (\$0.10) per hour worked or guaranteed an employee effective August 2, 2020. This contribution rate shall be referred to as the “Basic Rate.”

A list of Producers qualifying as “\$15 Million Contributors” has been previously supplied to the Union. It is understood that any related or affiliated entity of a Producer that qualifies as a “\$15 Million Contributor” that exists now or may exist in the future, and any entity currently or hereafter recognized by the Motion Picture Industry Pension and Health Plans as a “\$15 Million Contributor,” is also considered a “\$15 Million Contributor.”

- ii. In recognition of the disproportionate level of Post ‘60s and Supplemental Market contributions made to the Motion Picture Industry Pension and Health Plans by certain signatory Producers, the parties agree to increase the hourly Health Plan contribution rate set forth in Article 12(b) of the Agreement for any Producer signatory to the Agreement not included in Item 3.c.i. above by seventy-five cents (\$0.75) for each hour worked by or guaranteed an employee effective July 29, 2018 (for a total hourly contribution rate of \$4.863), by an additional seventy-five cents (\$0.75) for each hour worked by or guaranteed an employee effective August 4, 2019 (for a total hourly contribution of \$5.613) and by an additional seventy-five cents (\$0.75) for each hour worked by or guaranteed an employee effective August 2, 2020 (for a total hourly contribution of \$6.363). This contribution rate shall be referred to as the “Premium Rate.”

- iii. *Modify the first paragraph of Article 12(e) (and make conforming changes to Articles 13(d) and 14(c)) of the Agreement to provide as follows:*

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

- “(1) Partial week - twelve (12) hours per day;
“(2) Five day week - sixty (60) hours;
“(3) Six day week - seventy-two (72) hours effective July 29, 2018 ~~sixty-seven (67) hours~~; and
“(4) Seven day week - eighty-four (84) hours effective July 29, 2018 ~~seventy-five (75) hours.~~”

d. **Requirement that the Pension Plan be in the Green Zone for Contingent Pension Benefit Increases after 2021**

Modify the third paragraph of Article 13(f)(1)(ii) so that, in addition to the current criteria set forth therein, pension benefit increases after 2021 are contingent upon the Pension Plan actuary certifying that the Pension Plan is in the Green Zone in the calendar year in which the evaluation is made.

e. **Allocation of Excess Funds**

Modify Article 13A(c) as follows:

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

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

“(2) If the Pension Plan’s finalized actuarial valuation report for the prior Plan Year shows that the Pension Plan is less than one hundred percent (100%) funded under the Pension Protection Act ('PPA'), the excess amount shall be reallocated to the Pension Plan. If such actuarial valuation report shows that the Pension Plan is at least one hundred percent (100%) funded, then ~~Of the excess amount to be reallocated,~~ eighty percent (80%) of the excess amount to be reallocated shall be allocated to the accounts of participants in the Individual Account Plan and twenty percent (20%) of the excess amount shall be designated as a credit against future Supplemental Markets or Post '60s payments, to be divided up among those Companies, each of which has made Supplemental Markets payments to the Health Plan of not less than \$15,000,000 (or has made Post '60s payments to the Retired Employees Fund of not less than \$6,000,000) in the aggregate during the three (3) year period beginning January 1, 1994 and ending on December 31, 1996 or in any subsequent three (3) consecutive year period. For these purposes, the Supplemental Markets and Post '60s payments made by Columbia and TriStar shall be aggregated and the Supplemental Markets and Post '60s payments made by Amblin Entertainment Inc. and DreamWorks shall be aggregated.

“(3) It is understood that funding of the pension benefit improvements in Article 13(f) of this Agreement, in Article 13(f) of the 2002 (as amended), 2006 and 2009 Producer –Studio Transportation Drivers, Local #399 (Location Managers) Agreements and as awarded in 1996, 2000 and 2001 shall take place before any monies are reallocated pursuant to this subparagraph (c).”

4. **Car Allowance**

Modify Paragraph 7(a) as follows:

“7. **USE OF EMPLOYEE'S CAR**

“(a) Each employee hereunder shall receive a car allowance of ~~seventy-five dollars (\$75.00)~~ ~~(eighty dollars (\$80.00) effective July 31, 2016 and eighty-five dollars (\$85.00) effective July 30, 2017)~~ (eighty-eight dollars (\$88.00) effective August 4, 2019 and ninety-one dollars (\$91.00) effective August 2, 2020) for each day the car is driven by the employee in the service of the Producer.”

5. **Wrap Allowance**

Add a new Paragraph 42 as follows:

“42. **WRAP ALLOWANCE**

“Effective August 4, 2019, Producer shall pay one (1) allowance of \$25.00 per production day to the Key Assistant Location Manager or Assistant Location Manager, if any, who opens and closes a “location” (as that term is defined in Paragraph 6). The Producer shall not be obligated to make more than one (1) such payment per production day.

“This provision does not apply to any employee paid on an hourly basis.”

6. **Contract Services Administration Trust Fund**

a. *Modify the first paragraph of Article 22 as follows:*

“For the purpose of establishing and administering the Industry Experience Roster described in Paragraph 25 herein and Step Three of the grievance procedure, Producer shall contribute to CSATF as follows: For the period July 29, 2018 to and including August 1, 2020, nineteen and eighty-eight hundredths cents (19.88¢) for the period August 1, 2015 to and including July 31, 2018: (1) nine and three-quarters cents (9.75¢) per hour for each hour worked by or guaranteed each employee employed by such Producer, and for the period August 2, 2020 to and including July 31, 2021, twenty-two and one-half cents (22.5¢) in the multi-employer bargaining unit on August 1, 2015; (2) thirteen and one-half cents (13.5¢) per hour for each hour worked by or guaranteed each employee

employed by such Producer in the multi-employer bargaining unit from August 2, 2015 to and including July 29, 2017, and (3) seventeen and one-quarter cents (17.25¢) per hour for each hour worked by or guaranteed each employee employed by such Producer in the multi-employer bargaining unit from July 30, 2017 to and including July 31, 2018.”

- b. *Increase the stipend for required Safety Pass Courses to \$20.00 per hour effective August 4, 2019 by modifying the second paragraph of Article 22 as follows:*

“A \$15.00 per hour (\$20.00 per hour effective August 4, 2019) stipend shall be paid to any individual for attending CSATF-required safety training classes during non-working time. It is understood that any check so issued shall include payment for course A of the Safety Pass Program, whether completed before or after the individual was placed on the Industry Experience Roster.”

- c. *Revise Paragraph 25(b)(4) as follows:*

“(4) Establishing Eligibility

“In order for any eligible person to be placed on the Industry Experience Roster of Producer, such person shall make written application to be placed on such Roster on application forms provided for such purpose.

“Any person claiming to have fulfilled the Industry Experience Roster requirements shall have the burden of establishing and proving such claims.

~~“Applicants must provide I-9 information to CSATF and complete Course A of the Safety Pass Program as~~ As a condition of placement on the Industry Experience Roster, or to reflect as eligible for employment on the ‘online roster,’ applicants must provide I-9 information to CSATF and satisfactorily complete the ‘A’ safety training course and the harassment prevention training course through CSATF.”

- d. **Elimination of the New Media Roster**

- i. *Add the following as a new final paragraph to Paragraph 25(b)(1):*

“There shall be no preference of employment of any kind or nature on productions made for New Media (as defined in Sideletter No. 8).”

ii. *Amend Paragraph 25(a)(1) as follows:*

“(1) Subject to appropriate verification by CSATF, three hundred (300) actual workdays within a three (3) consecutive year period will be required for placement on the Roster, provided that at least one of such workdays was performed within a one (1) year period immediately preceding the date the employee submitted a completed application to be placed on the Roster and presented all supporting documentation. All such work experience must be performed in connection with theatrical or television motion pictures of the type covered under this Agreement or in connection with those covered New Media productions (as provided in Sideletter No. 8) which are twenty (20) minutes or more in length.”

iii. *Modify Paragraph E.(3) of Sideletter No. 8 as follows:*

“(3) Preference of Employment/Industry Experience Roster/New Media Roster

“There shall be no preference of employment of any kind or nature in the employment of Employees on New Media Productions hereunder. ~~The provisions of the Location Managers Agreement relating to Preference of Employment and to the Industry Experience Roster shall not be applicable to New Media Productions, except to the extent provided in paragraph (8) below. An Employee need not be on the Industry Experience Roster nor on the New Media Roster described below, if one is established, in order to be employed on a New Media Production.~~

“Work under this Agreement on a covered New Media Production twenty (20) minutes or more in length in a job classification covered by and within the geographic scope of the Location Managers Agreement shall be counted for purposes of placement on the Industry Experience Roster, subject to satisfaction of the eligibility requirements set forth in Paragraph 25 of the Location Managers Agreement.”

iv. *Delete Paragraph E.(8) of Sideletter No. 8.*

7. **Diversity and Inclusion Task Force**

In recognition of the need for the Union and the Producers to cooperate in their efforts to promote diversity in the hiring of classifications represented by the Union, the parties shall form a Task Force comprised of representatives from the Union and AMPTP companies. The Union and Producers will each select an individual to co-chair the Task Force.

The Task Force shall: (a) meet at least once every four months during the term of the Agreement and thereafter; (b) examine characteristics of the labor pool; (c) share information and discuss ways to improve existing initiatives; (d) develop new initiatives, such as new training programs, aimed at increasing the employment of under-represented groups, including but not limited to women, people of color, people with disabilities, LGBTQ individuals, etc. and (e) develop criteria to benchmark success in these areas.

8. **Safety**

Modify Article 20(b) as follows:

“(b) Rigid observance of safety regulations must be adhered to and willful failure of any employee to follow safety rules and regulations can lead to disciplinary action including discharge; however, no employee shall be discharged or otherwise disciplined for refusing to work on a job that exposes the individual to a clear and present danger to life or limb, or for making a good faith report to the First Assistant Director, the Unit Production Manager or his or her supervisor relating to the safety of another employee exposed to a clear and present danger to life or limb. No set of safety regulations, however, can comprehensively cover all possible unsafe practices of working. The Producer and the Union therefore undertake to promote in every way possible the realization of the responsibility of the individual employee with regard to preventing accidents to himself or his fellow employees. For purposes of this Article 20(b), the question whether an employee has made a report in good faith is subject to the grievance and arbitration procedure set forth in Article 7 of this Agreement.”

9. **401(k) Plan Study**

Add a new Article 28 to provide as follows:

“28. **401(k) Plan Study**

“A committee shall be established consisting of representatives of the Producers and the Location Managers to conduct a study regarding the establishment of a 401(k) plan funded solely by employee salary deferrals for participants in the Motion Picture Industry Pension Plan. Among other considerations, the study will address the following:

“(a) Whether the establishment and administration of the plan will cause the Producers to incur increased costs;

“(b) Whether the Motion Picture Industry Pension and Health Plan or another entity such as a third party administrator would be able to administer the 401(k) plan as a separate plan; and

“(c) Whether the plan is likely to or can be structured to satisfy all legal requirements for 401(k) plans (e.g., non-discrimination testing requirements, etc.).

“The committee shall meet as soon as practicable in the beginning of 2019. Once the study is complete, the committee shall report the results of the study to the bargaining parties, who will determine jointly whether to establish a 401(k) plan, and the nature of that 401(k) plan. It is understood that other Union parties to the Motion Picture Industry Pension and Health Plan may join the committee, if agreed by Producers.”

10. **Waiver of Paid Sick Leave Laws**

Modify Article 27 as follows:

“ARTICLE 27. WAIVER OF NEW YORK EARNED SAFE AND SICK TIME ACT AND SIMILAR LAWS

“The Union expressly waives, to the full extent permitted by law, application of the following to all employees employed under this Agreement: the New York City Earned Safe and Sick Time Act of 2013(N.Y.C. Admin. Code, Section 20-911 *et seq.*); Section 1-24-045 of the Municipal Code of Chicago; the Cook County Earned Sick Leave Ordinance (Ordinance No. 16-4229); the San Francisco Paid Sick Leave Ordinance (San Francisco Administrative Code Section 12W); the Paid Sick Leave Ordinance of Berkeley, California (Municipal Code Chapter 13.100); all requirements pertaining to "paid sick leave" in Chapter 37 of Title 5 of the Municipal Code of Emeryville, California (including, but not limited to, Chapter 37.0.1.e), 37.03, 37.07.a)1)B.ii. and 37.07.f); the Oakland Sick Leave Law (Municipal Code Section 5.92.030.); Chapter 4.62.025 of the Santa Monica Municipal Code (enacted by Ordinance No. 2509); the Seattle Paid Sick and Safe Time Ordinance (Ordinance No. 123698); Chapter 18.10 of Title 18 of the Municipal Code of the City of Tacoma, Washington (enacted by Ordinance No. 28275); Article 8.1 of Title 23, Chapter 2 of the Arizona Revised Statutes; the New Jersey Paid Sick Leave Act (C.34:11-56a *et seq.*); Chapter 160 of the Ordinances of the Township of Bloomfield, New Jersey (enacted by Ordinance No. 15-10); the Paid Sick Time for Private Employees Ordinance of East Orange, New Jersey (Ordinance No. 21-2014; East Orange Code Chapter 140, Section 1 *et seq.*); the Paid Sick Time Law of Jersey City, New Jersey (Chapter 4 of the Jersey City Municipal Code); Chapter 8.56 of the Revised General Ordinances of the City of New Brunswick, New Jersey; Chapter 8, Article 5 of the Municipal Code of the City of Plainfield, New Jersey; the Sick Leave for Private Employees Ordinances of Elizabeth, New Jersey (Ordinance No. 4617); Irvington, New Jersey (Ordinance No. MC-3513); Montclair, New Jersey; Morristown, New Jersey (Ordinance No. O-35-2016); Newark, New Jersey (City Ordinance 13-2010); Passaic, New Jersey (Ordinance No. 1998-14); Paterson, New Jersey (Paterson Code Chapter 412) and Trenton, New Jersey; and any other ordinance, statute or law requiring paid sick leave that is hereafter enacted. It is understood that the Union and the AMPTP shall memorialize any such waiver for any newly-enacted law by letter agreement.”

11. Housekeeping re Sideletter No. 2

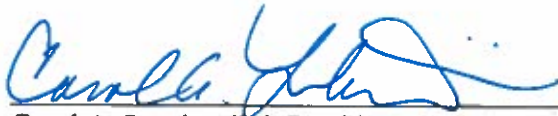
The parties agree to modify Sideletter No. 2 ("Special Conditions for New One-Hour Episodic Television Series, the Production of Which Commences On or After August 1, 2003 and for One-Half Hour Digital or Videotape Single Camera Dramatic Television Series and Digital or Videotape Non-Dramatic Series of Any Length, the Production of Which Commences on or After August 1, 2012") by adding wage tables to Paragraph a. and by adding a new Paragraph e. as follows:

"e. Use of Employee's Car – The car allowance shall be set at eighty-five dollars (\$85.00) (eighty-eight dollars (\$88.00) effective August 4, 2019 and ninety-one dollars (\$91.00) effective August 2, 2020) for each day the car is driven by the employee in the service of the Producer."

12. Sunset Clause

Renew Sideletter No. 8 re Productions Made for New Media.

FOR THE ALLIANCE OF MOTION PICTURE AND TELEVISION PRODUCERS, ON BEHALF OF THE COMPANIES LISTED ON EXHIBIT A ATTACHED HERETO



Carol A. Lombardini, President

Date: November 14, 2018

FOR STUDIO TRANSPORTATION DRIVERS, LOCAL #399, OF THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS (LOCATION MANAGERS)



Steve Dayan, Secretary – Treasurer

Date: 10/16/18

EXHIBIT A
2018 LOCAL #399 LOCATION MANAGERS
AUTHORIZATION LIST

1440 Productions LLC
40 North Productions, LLC

Abominable Pictures, Inc.
Alameda Productions, LLC (dba Legendary
Alameda Productions, LLC)
Alive and Kicking, Inc.
American Summer Productions, Inc.
Artcraft Productions, Inc.

Big Indie Pictures, Inc.
Blue Cat Productions, LLC
Bonanza Productions Inc.
Bronson Avenue LLC
Buddy Time LLC

Cameron Slater Inc.
Carnival Row Productions, LLC
Cast & Crew Production Payroll, LLC
CBS Films Inc.
CBS Studios Inc.
Company Prime, LLC
Concrete + Clay LLC
Corporate Management Solutions, Inc. dba
CMS Productions
Columbia Pictures Industries, Inc.
CPT Holdings, Inc.

Dyminium Productions, LLC

Egregious Entertainment, LLC
EPSG Management Services
Eye Productions Inc.

Foresight Unlimited, LLC
Forward Processing CA, Inc.

Goff Productions, LLC

HBO Entertainment, Inc.
HBO Films, Inc.
Horizon Scripted Television Inc.
Howler Monkey Production Inc.
Hyphen Hyphen LLC

I Like Pie, Inc.

Kapital Productions, LLC

Lakeshore Entertainment Group, LLC
LD Entertainment Company LLC
Legendary Features Productions, LLC
Legendary Pictures Funding, LLC
Legendary Pictures Productions, LLC
Lennox House Pictures Inc.

Main Processing, Inc.
Malibu Road, LLC
Metro-Goldwyn-Mayer Pictures Inc.
MGM Television Entertainment Inc.
Milk Street Productions, LLC
Minim Productions, Inc.
Mutiny Pictures Inc.

New Line Productions Inc.
New Regency Productions, Inc.
Next Step Productions LLC
NWT 2, LLC

Olive Productions, LLC
Orchard Road Productions, LLC

Pacific 2.1 Entertainment Group, Inc.
Paramount Pictures Corporation
Picrow Features Inc.
Picrow, Inc.
Picrow Streaming Inc.
Pineapple Lasagne Productions Inc.

Ruff Draft Productions, LLC

Screen Gems Productions, Inc.

Senior Moment Movie, LLC

Showtime Pictures Development Company

Sony Pictures Studios, Inc.

Stalwart Films, LLC

Storyteller Production Co., LLC

Sunny Television Productions, Inc.

That's Fantastic, LLC

Tibernia Productions, Inc.

Turner North Center Productions, Inc.

TVM Productions, Inc.

Twentieth Century Fox Film Corporation

Undiscovered North American Ape Pictures,
Inc.

Universal Cable Productions LLC

Universal City Studios LLC

Warner Bros. Pictures

Warner Bros. Television

Warner Specialty Video Productions Inc.

Woodridge Productions, Inc.