

October 5, 2018

MEMORANDUM OF AGREEMENT OF AUGUST 1, 2018
BETWEEN PRODUCER AND
THE ANIMATION GUILD AND AFFILIATED OPTICAL ELECTRONIC AND
GRAPHIC ARTS, LOCAL #839, IATSE

This Memorandum of Agreement is entered into as of August 1, 2018 between the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States, its Territories and Canada and The Animation Guild and Affiliated Optical Electronic and Graphic Arts, Local #839, IATSE (such International Alliance and Local #839 being referred to collectively as “the Union”), on the one hand, and the Alliance of Motion Picture and Television Producers, on behalf of those Producers listed in Exhibit “A” attached hereto (each hereinafter respectively referred to as the “Employer” and collectively referred to as the “Employers”), 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 The Animation Guild and Affiliated Optical Electronic and Graphic Arts, Local #839, IATSE.

All of the provisions of the current collective bargaining agreement between these parties (hereinafter collectively referred to as “the Agreement”) shall remain the same unless otherwise specifically changed as noted herein.

The provisions herein shall be effective upon ratification or August 1, 2018, whichever is later, 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 of Agreement**

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

2. **Wage Increases**

Minimum wage rates shall be increased as follows:

- a. By three percent (3%) retroactive to July 29, 2018;
- b. By three percent (3%) effective August 4, 2019; and
- c. By three percent (3%) effective August 2, 2020.

These increases shall be compounded.

3. **Health and Pension**

Update the references in Article 18 to the “2015 I.A.T.S.E. and M.P.T.A.A.C. Basic Agreement” to the “2018 I.A.T.S.E. and M.P.T.A.A.C. Basic Agreement,” and update the reference to “the period commencing August 1, 2015 to and including July 31, 2018” to “the period commencing August 1, 2018 to and including July 31, 2021,” so as to result in the following:

- a. Increase the current hourly contribution rate to the Health Plan 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 retroactive to 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, each of which qualifies as a “\$15 Million Contributor,” 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 hereafter recognized by the Motion Picture Industry Pension and Health Plans as a “\$15 Million Contributor,” is also considered a “\$15 Million Contributor.”

- b. Increase the current hourly contribution rate to the Health Plan for any signatory Producer not included in Item 3.a. above by seventy-five cents (\$0.75) for each hour worked by or guaranteed an employee retroactive to 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.”

- c. The bargaining parties agree to recommend that the pension improvements and contingencies negotiated for the bargaining unit under the Producer-I.A.T.S.E. and M.P.T.A.A.C. Basic Agreement of 2018 shall likewise apply to the Local #839 bargaining unit.

“On call” weekly contributions for employees employed under the 2018 Local #839 Agreement shall continue to be based upon a fifty-six (56) hour week.

4. **Color Stylist/Color Designer**

Effective January 6, 2019:

- a. Rename the “Color Stylist” classification (Occ. Code 21-501) as “Color Designer.”
- b. The progression to Journey level shall be reduced from twenty-four (24) months to twelve (12) months, and applicable minimum wage rates shall be as follows:

21-501 Color Designer (effective January 6, 2019)

	Hourly	Weekly
1st 6 months	\$35.84	\$1,433.60
2nd 6 months	\$39.35	\$1,574.00
Journey	\$41.62	\$1,664.80

The rates above shall be increased by the general wage increases in the second and third years of the Agreement (*i.e.*, by three percent (3%) effective August 4, 2019 and by an additional three percent (3%) effective August 2, 2020).

- c. Any Color Stylist/Color Designer who has completed twelve (12) months shall be paid the Journey rate.

5. **Unit Rate – Sheet Timer**

Increase the unit rate for Sheet Timers to \$3.75/foot effective the first Sunday after the AMPTP’s receipt of notice of ratification; \$3.86/foot effective August 4, 2019; and \$3.98/foot effective August 2, 2020.

6. **Unit Rate – Storyboard Only**

Increase Health and Welfare and Pension hours made on behalf of individuals employed under the “Storyboard Only” unit rate effective the first Sunday following the AMPTP’s receipt of notice of ratification as follows:

- a. Short Subjects Less Than 4 Minutes: ~~60~~ 63
- b. Short Subjects – 4 to 7 Minutes: ~~60~~ 63

- c. Short Subjects – Over 7 to 15 Minutes: ~~75~~ 80
- d. Half-Hour Subjects: ~~140~~ 148
- e. One Hour or More Subjects: ~~210~~ 222

It is understood that Producer shall make full Health and Welfare and Pension contributions on behalf of each individual employed under a “Storyboard Only” unit rate, even when more than one individual is assigned to work on the storyboard.

7. **Unit Rate – Writers on Subjects 75 Minutes or More in Length**

Increase the number of Health and Welfare and Pension hours made on behalf of individuals employed under a unit rate in the “Writer” classification on page 76 of the 2015 Local #839 Agreement for a subject 75 minutes or more in length effective the first Sunday after the AMPTP’s receipt of notice of ratification, as follows:

- a. Synopsis and Outline ~~93~~ 100
- b. Teleplay or Screenplay ~~307~~ 325

8. **Unit Rate – Bible**

- a. Add the following “bible” unit rates to the “Writer and Storyboard” classifications effective the first Sunday after the AMPTP’s receipt of notice of ratification, as follows:

Bible*

	Rate	H&W and Pension Hours
Pitch Bible	Per individual negotiation	33
Mini-Bible		100
Full Bible		250

*Effective the first Sunday after the AMPTP’s receipt of notice of ratification.

- b. Producer shall make contributions to the Individual Account Plan based on the employee’s negotiated rate, up to the following maximums:
 - i. Pitch Bible: “Synopsis and Outline” rate for Short Subjects – 4 to 7 Minutes.
 - ii. Mini-Bible: applicable “Synopsis and Outline” rate, based on the length of the project that is the subject of the Mini-Bible.
 - iii. Full Bible: applicable “Teleplay or Screenplay” rate, based on the length of the project that is the subject of the Full Bible.

9. **Sideletter N re: Productions Made for New Media**

a. **20-35 Minute Animated High Budget SVOD Programs**

Effective January 1, 2019:

- i. Modify the definition of an Animated High Budget SVOD Program in Paragraph F.(2) of Sideletter N with respect to programs 20-35 minutes in length as initially exhibited by decreasing the “high budget” threshold from \$1,300,000 to \$550,000 (to be increased by the wage increases in each year of the Agreement).

It is understood that two (2) eleven (11) minute segments produced for and initially exhibited as a unit qualify as an Animated High Budget SVOD Program, provided that the combined budget of the segments meets the “high budget” threshold.

- ii. Decrease the Tier 1/Tier 2 Budget Tier figures in Paragraph F.(3) of Sideletter N for a 20-35 minute Animated High Budget SVOD Program as follows:

Tier 1: ~~\$2,100,000~~\$1,500,000 or more

Tier 2: ~~\$1,300,000~~\$550,000 or more but less than ~~\$2,100,000~~\$1,500,000

(Each of the Tier 1/Tier 2 Budget Tier figures above shall be increased by the wage increases in each year of the Agreement.)

b. **Certain Animated High Budget SVOD Programs Budgeted Over \$45 Million**

Add a new paragraph to the end of Paragraph F.(4)(a)(iii) of Sideletter N to provide:

“The modifications in subparagraphs (A), (B) and (C) above shall not apply to an Animated High Budget SVOD Program (other than a pilot, episode of a series or part of a mini-series) subject to a license agreement entered into on or after January 1, 2019 (or, in the absence of a license agreement, the production animation of which commences on or after January 1, 2019) that is 96 minutes or more in length, budgeted at over \$45 million (to be increased by the wage increases in each year of the Agreement) and intended primarily for use on a subscription consumer pay video-on-demand new media service with 20 million or more subscribers in the United States and Canada.”¹

¹ “The budget shall be determined by the production costs, including the ‘above’ and ‘below the line’ costs and ‘pre-production’ and ‘post-production’ costs. Production costs shall not include: (a) the costs of the premium for a completion bond; (b) a contingency fund not to

c. **Subscriber Count – Animated High Budget SVOD Programs**

- i. Change the subscriber threshold in Paragraph F.(4) of Sideletter N from 15 million subscribers to 20 million subscribers.
- ii. *Add a new subparagraph (d) to Paragraph F.(4) of Sideletter N as follows:*

“(d) For purposes of determining applicable terms and conditions under this subparagraph (4), the number of subscribers in the United States and Canada shall be determined as of July 1st of each year of the Agreement. For a High Budget SVOD series, the number of subscribers in the United States and Canada that applies to the first episode of the season shall apply to the entire season.”

d. **Grandfathering of Animated High Budget SVOD Programs**

Modify Paragraph F.(1) of Sideletter N as follows:

“(1) Prospective Application

“The terms and conditions set forth in this Paragraph F. shall be applicable prospectively only. They shall not apply to the following:

“(a) Any program or series that continues in production on or after August 1, 2018 and was grandfathered, and remains grandfathered, pursuant to Paragraph F.(1)(a) or (b) of Sideletter N to the 2015 Local #839 Agreement.

“(b) Any program or series other than those described in subparagraph (a) above that would otherwise qualify as an ‘Animated High Budget SVOD Program’ within the meaning of this Sideletter for which production animation commences prior to January 1, 2019 (in the case of a series, production animation of the first episode must have commenced prior to January 1, 2019). Paragraph F. of Sideletter N to the 2015 Local #839 Agreement shall apply instead, except that minimum wage and fringe rates shall be subject to the increases negotiated during the 2018 negotiations.

exceed ten percent (10%) of the budget; (c) costs reimbursed by insurance; and (d) overages caused by a *force majeure* event or governmental action. Employer shall provide the IATSE, upon request, with a report of the actual expenditures of the production (‘Final Expenditure Report’) and such other relevant materials as the IATSE may require which show the actual cost of the production. All information received or reviewed by professionals shall be confidential and neither the IATSE nor its representatives or retained professionals shall disclose any such information except as necessary to enforce their rights under the Agreement.

“(c) Any Animated High Budget SVOD Program or episode of an Animated High Budget SVOD series, the production animation of which commences on or after January 1, 2019 pursuant to a license agreement entered into prior to January 1, 2019.² Paragraph F. of Sideletter N to the 2015 Local #839 Agreement shall apply instead, except that minimum wage and fringe rates shall be subject to the increases negotiated during the 2018 negotiations.

“(a) — any program or series that would otherwise qualify as an “Animated High Budget SVOD Program” within the meaning of this Sideletter for which production animation commenced prior to November 1, 2015 (in the case of a series, production animation of the first episode must have commenced prior to November 1, 2015); or

“(b) — any program or series that would otherwise qualify as an “Animated High Budget SVOD Program” within the meaning of this Sideletter for which production animation commenced after November 1, 2015 (in the case of a series, production animation of the first episode must have commenced after November 1, 2015), if such program or series was produced pursuant to the terms of a *bona fide* license agreement with fixed and definite terms entered into by the Producer prior to November 1, 2015. However, if such license agreement is entered into subject to conditions precedent, then all such conditions must be satisfied prior to November 1, 2015. —

“Any program or series described in subparagraphs (a) or (b) above shall continue to be subject to the terms of Sideletter N Re: Productions Made for New Media under the 2012 Local #839 Agreement. However, with respect to any such program or series described in subparagraphs (a) or (b) above, if the licensee orders additional programs or episodes pursuant to the terms of the license agreement after November 1, 2015 and the Producer has the right to negotiate with respect to the material terms and conditions of the license for the

² If the licensee orders additional Animated High Budget SVOD Programs or episodes of an Animated High Budget SVOD series, the production animation of which will commence on or after January 1, 2019, pursuant to a license agreement entered into prior to January 1, 2019, and the Producer has the right to negotiate with respect to the material terms and conditions of the license for the additional programs or episodes, then the Animated High Budget SVOD Program or episodes of the Animated High Budget SVOD series shall be subject to the terms of Sideletter N to the 2018 Local #839 Agreement. In the event that Producer asserts that an Animated High Budget SVOD Program is grandfathered under the provisions of Paragraph F.(1)(c) above, a limited number of representatives of the IATSE, subject to the execution of a confidentiality agreement satisfactory in form to Producer, may inspect those portions of the license agreement that are relevant to determine whether the Producer had the right to renegotiate with respect to the material terms and conditions of the license for the additional programs or episodes. All information received or reviewed by representatives of the IATSE shall be kept confidential, and neither the IATSE nor its representatives shall disclose any such information, except as necessary to enforce its rights under this Agreement.

additional programs or episodes, then such additional programs or episodes shall be subject to the terms of this Sideletter.

~~“Notwithstanding the foregoing, the Producer shall not reduce the terms and conditions of employment previously provided to Local #839-represented employees on programs or series covered by subparagraphs (a) or (b) above.”~~

- e. *Update the second paragraph of the opening to Sideletter N to reflect the parties' modifications to Paragraph F. as follows:*

~~“The parties mutually recognize When the parties entered into the 2015 negotiations, they mutually understood that the economics of New Media production are presently were uncertain and that greater flexibility in terms and conditions of employment is was therefore mutually beneficial. The parties understood that if one or more business models developed such that New Media production becomes became an economically viable medium, then the parties would mutually recognize that fact in future agreements should reflect that fact.”~~

~~“During the 2018 negotiations, in recognition of emerging subscription video-on-demand services exhibiting high budget animated dramatic productions, the parties agreed to modify the terms and conditions for ‘high budget’ animated dramatic productions made for subscription video-on-demand consumer pay New Media platforms as provided in Paragraph F. below.”~~

- f. Renew the “sunset” clause in Paragraph H. of Sideletter N.

10. **Parental Leave**

- a. *Add a new Article 27, "Parental Leave," to the Local #839 Agreement as follows (and make conforming changes):*

"ARTICLE 27.

"PARENTAL LEAVE

"A. An employee employed under a Personal Service Contract that guarantees at least twenty-six (26) weeks of employment or under an ‘all episodes produced’ or ‘run of season’ guarantee that is anticipated to produce at least twenty-six (26) weeks of employment, other than an employee employed under a unit rate, shall be entitled to up to eight (8) consecutive weeks of unpaid leave to bond with a newborn child, newly adopted child or newly placed foster child. The leave must be taken within one year of the birth, adoption or placement of the employee's child. An employee shall request such leave at least 30 days in advance of the start of the leave, unless such notice is impracticable, in which case the employee shall make the request within a reasonable time in advance of the leave.

"B. Any employee who takes a leave of absence hereunder shall be entitled to be reinstated to his or her original position upon conclusion of the leave, provided that such position continues to exist at the end of the leave. The employee shall have no greater employment right than if the employee had been continuously employed during the leave of absence.

"C. The leave provided for hereunder shall run concurrently with any other leave entitlement. Producer may require that an employee first use vacation during a parental leave period prior to taking unpaid parental leave which, in the aggregate, shall be no more than eight (8) consecutive weeks."

- b. *Modify Paragraph E. of Sideletter N by adding a new subparagraph (7) as follows (and renumber existing Paragraph E.(7) to E.(8)):*

"(7) Parental Leave

"Article 27 shall apply."

11. **Bulletin re: Paid Holidays**

The AMPTP shall issue the following bulletin:

**"NOTICE TO PRODUCERS SIGNATORY TO
THE 2018 LOCAL #839 AGREEMENT:**

"Re: Holidays

"During negotiations for the 2018 Local #839 Agreement, the Union advised the Producers that it continues to receive complaints from employees about working on one or more of the nine (9) paid holidays listed in Article 6 (New Year's Day, Presidents' Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, the day after Thanksgiving and Christmas Day) in order to complete an assignment and meet a production deadline. The Union expressed a desire for employees to be able to take the day off on a paid holiday.

"This is a reminder that to the extent that it is possible to give employees the day off on a paid holiday, we encourage productions to do so. However, if an employee must work on a paid holiday, Article 6 requires a Producer to pay double time for all work done on a paid holiday."

12. **The Animation Guild 401(k) Plan**

Add a new Article 18, Paragraph F. to provide as follows:

“F. *The Animation Guild 401(k) Plan (No Matching Contributions)*

“Subject to satisfaction of the following conditions, the Producer shall allow eligible employees, after ninety (90) days of employment with the Producer, to participate in The Animation Guild 401(k) Plan (the “401(k) Plan”) under the terms of the Trust Agreement. The Producer shall withhold and contribute or cause to be withheld and contributed on a before-tax basis, for each payroll period, the dollar amount or percentage of compensation (not to exceed the lesser of the statutory IRS dollar maximum amount or 100% of the employee’s compensation), which the employee has designated in writing to the Producer as the employee’s salary deferral election under the 401(k) Plan. The Producer shall remit each employee’s salary deferrals in accordance with and as required by the Trust Agreement.

“The 401(k) Plan operates as a Taft-Hartley plan, administered by an independent service provider chosen by the Trustees. The 401(k) Plan shall continue its current structure and shall continue to operate in accordance with the following:

“1. There will be no Producer contributions to the 401(k) Plan.

“2. The Producer shall have no responsibility for any management or administrative costs of the 401(k) Plan.

“3. The Producers and the Union will take such measures, particularly with respect to design of the Plan, as are required to limit the liability of the Producers.

“4. The bargaining parties agree to recommend to the Trustees of the 401(k) Plan the adoption of a resolution under which the 401(k) Plan shall warrant to the Producers that it will timely discharge its duties and responsibilities so as to avoid any liability for the Producers.

“5. The Producer’s participation in the Plan is contingent on the 401(k) Plan’s continued qualification as tax-exempt under the provisions of the Internal Revenue Code.

“This provision shall become effective January 1, 2019 for any Producer not participating in the 401(k) Plan as of July 31, 2018.”

Make conforming changes.

13. **Loan-Outs**

Add a new Article 26 to the Agreement as follows:

**“ARTICLE 26
“LOAN-OUTS**

“The Producer may utilize the services of an employee on a loan-out basis for work covered by this Agreement under the following conditions:

“A. All provisions of the collective bargaining agreement shall be fully applicable.

“B. Producer shall provide at least the minimum compensation and conditions under this Agreement to the loan-out company, but shall not be responsible for payment by the loan-out company to its employee.

“C. Any claims or disputes between the employee on loan-out and the Producer regarding salaries or terms and conditions of employment that would be covered by the grievance and arbitration provisions of this Agreement if the employee had been hired directly by the Producer shall be subject to such grievance and arbitration provisions with the right of The Animation Guild to file grievances on behalf of employee on loan-out.

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

“‘Loan-out company’ for purposes of this Article is defined as a company controlled by the loaned out employee, who is the only employee of the loan-out company who performs work covered by the Applicable Agreements.”

14. **Non-Discrimination**

Modify the last sentence of Article 9 (“Non-Discrimination”) as follows:

“Claims alleging a violation of this ‘Non-Discrimination’ provision are not subject to grievance nor arbitration, but are instead subject to non-binding mediation.”

15. **Occupation Codes**

During the term of the Agreement, the parties will conduct a study of the feasibility of adding Occupation Codes to those classifications that do not currently have an Occupation Code.

16. **Project Information**

Add the following as a new Paragraph N. in Article 21 and add the Project Information Sheet attached as Exhibit "B" to the Agreement:

"N. Project Information

"For animated productions commencing on or after January 1, 2019, Producer shall provide written notice to Local #839 with the following information, if known (or may submit the information, if known, in the form of a Project Information Sheet, attached as Exhibit 'B' to this Agreement), for each theatrical motion picture, television motion picture and covered New Media production on which employees are employed under this Agreement no later than two (2) weeks after a Line Producer or another person in an equivalent role commences services for such motion picture or production.

"Such notice shall contain at least the following information, if known:

- "1. Project/Working Title;*
- "2. Project Type (feature, television or New Media);*
- "3. Applicable 'High Budget SVOD' budget tier and subscriber tier for a 'High Budget SVOD' Program covered by Sideletter N re: Productions Made for New Media, if relevant;*
- "4. Production office address and phone number;*
- "5. Line Producer, UPM or Labor Relations contact(s) with phone number(s) and email address(es);*
- "6. Name of payroll service, if applicable.*

"For episodic series, it is understood and agreed that the Producer need only provide a notice (or Project Information Sheet) at the commencement of production of the first season of such episodic series.

"There shall be no penalty for inadvertent failure to comply with this provision."

17. **Apprentice Timer**

Effective the first Sunday after the AMPTP's receipt of notice of ratification:

- a. Add a new classification of "Apprentice Timer."
- b. The rate for the "Apprentice Timer" shall be \$31.85/hour (\$1,274.00/week) effective the first Sunday after the AMPTP's receipt of notice of ratification; \$32.81/hour (\$1,312.40/week) effective August 4, 2019; and \$33.79/hour (\$1,351.60/week) effective August 2, 2020.
- c. An individual may be employed under the "Apprentice Timer" classification for six months, subject to the Producer's right to request one six-month extension, which the Union shall not unreasonably deny.

18. **Animation Intern**

Add a new Sideletter P re: Animation Interns as follows:

"SIDELETTER P
"ANIMATION INTERNS

"During negotiations, the parties discussed the fact that some Producers have established or may establish internship programs designed to give students and recent graduates an opportunity to learn about the animated motion picture industry and gain insight into artistic staff responsibilities and animated motion picture production.

"In order to provide a meaningful learning experience, Animation Interns may perform work covered by this Agreement without becoming subject to its terms and conditions so long as the Animation Intern is enrolled in an undergraduate or graduate school program, or has graduated from such a program within the past six (6) months, and is a participant in a Producer's internship program lasting no longer than one (1) semester if the program takes place during the school year, or no longer than twelve (12) weeks if the program takes place during the summer break. It is understood that no bargaining unit employees shall be displaced as a result of this Sideletter.

"This Sideletter shall expire on the termination of this Agreement, except that it shall continue to apply to any Animation Intern who commences an internship program prior to the termination of this Agreement for the duration of the internship program. "

19. **Timing of Vacation and Holiday Payments**

During the term of the Agreement, the Union shall meet on a Producer-by-Producer basis at the request of any Producer which pays for vacations and holidays pursuant to Article 6.H.2. to discuss allowing the Producer to elect to make vacation and/or holiday payments on a weekly basis, and to discuss implementation of such election on an individual, production-by-production or company-wide basis.

20. **Contract Services Administration Trust Fund**

Increase the CSATF contribution rate in Article 22.A. to nine cents (\$0.09) per hour effective July 29, 2018 and ten cents (\$0.10) per hour effective August 2, 2020.

21. **Housekeeping Item – Article 4.B.**

Modify the last sentence of Article 4.B. as follows:

“If an employee employed pursuant to this paragraph Article 5, Paragraph A., below shall be required to work a sixth or seventh workday as defined in this Agreement, then he shall be paid one and one-half (1½) times one-fifth (1/5) of the minimum basic weekly rate provided herein for such employee’s classification for each day so worked, rather than as provided in Article 5, Paragraph A.2.”

22. **Housekeeping Item – Article 7.B. (Sick Leave)**

Modify Article 7.B. as follows:

“B. 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 37.01.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 (Ordinance No. 14-45) and Elizabeth, New Jersey (Ordinance No. 4617); 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.”

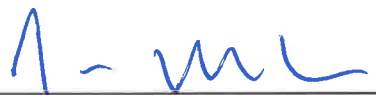
**FOR THE INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES,
MOVING PICTURE TECHNICIANS, ARTISTS AND ALLIED CRAFTS OF THE
UNITED STATES, ITS TERRITORIES AND CANADA**



Matthew D. Loeb, International President

Date: 11/18/19

**THE ANIMATION GUILD AND AFFILIATED OPTICAL ELECTRONIC AND
GRAPHIC ARTS, LOCAL #839, I.A.T.S.E.**



Jason MacLeod, Business Representative

Date: 10/15/2018

**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: January 25, 2019

EXHIBIT "A"
Companies Represented by the AMPTP
in the 2018 Local #839 Negotiations

4th Floor Productions, Inc.

ABC Studios

Adelaide Productions, Inc.

Alien Animation, LLC

American Animation Institute, Inc.

Animated Productions Inc.

Big Indie Pictures, Inc.

Cartoon Network Studios, Inc.

Columbia Pictures Industries, Inc.

Corporate Management Solutions, Inc. dba

CMS Productions

Cranetown Media LLC

CRD Productions, Inc.

Disney Television Animation

DreamWorks Animation LLC

DreamWorks Animation Television LLC

Eye Animation Productions Inc.

Fox Animation Los Angeles, Inc.

Fox Television Animation, Inc.

Future Forty LLC

Halfworld Productions LLC

HB Wink Animation Production, Inc.

Katy Mac Session Productions, Inc.

Marvel Animation Studio LLC

Metro-Goldwyn-Mayer Animation Inc.

My Little Pony G5 Productions LLC

My Little Pony Productions LLC

Muddy Water Entertainment, Inc.

Obelisk Productions, Inc.

Partricks Road Productions II, Inc.

Picrow, Inc.

Picrow Streaming Inc.

Picrow Features Inc.

Pour Animer, LLC

Reassembled Productions LLC

Robin Red Breast, Inc.

Rough Draft Studios, Inc.

Rutherford Bench Productions, Inc.

S.B.I. Media, L.L.C.

STX Animation, LLC

Thwip Productions LLC

TOEI DOGA Productions, LLC

Tom T. Animation, Inc.

Turner 1050 Productions, Inc.

Universal Animation Studios LLC

Universal Cable Animation LLC

Universal City Studios LLC

Walt Disney Pictures

Warner Bros. Animation Inc.

Warner Specialty Productions Inc.

Watercooler Productions, Inc.

Woodridge Productions LLC

EXHIBIT "B"

PROJECT INFORMATION SHEET FOR LOCAL #839 AGREEMENT

Please complete the following, if known, for each project employing employees covered by the Local #839 Agreement.

Please send completed form to status@tag839.org.

PROJECT/WORKING TITLE: _____ DATE: _____

PRODUCER: _____

FEATURE **TELEVISION**

NEW MEDIA:

Covered New Media Production (other than an Animated High Budget SVOD Program):

BUDGET: \$25,000 or less per minute **OR** more than \$25,000 per minute

Animated High Budget SVOD Program:

20-35 Minutes*	36-65 Minutes	66-95 Minutes	96 Minutes or More
<input type="checkbox"/> \$550,000 or more <i>[To be increased by wage increases in each year of the Agreement]</i> for Programs or episodes of series commencing on or after January 1, 2019 <input type="checkbox"/> \$1,300,000 or more for Programs or episodes of series that commenced prior to January 1, 2019** or are subject to a license agreement entered into prior to January 1, 2019	<input type="checkbox"/> \$2,500,000 or more	<input type="checkbox"/> \$3,000,000 or more	<input type="checkbox"/> \$3,000,000 or more
*Includes two (2) eleven (11) minute segments produced for and initially exhibited as a unit. Check the "\$550,000 or more box" if the combined budget of the two segments meets the threshold. ** For series, production animation of the first episode must have commenced prior to January 1, 2019.			

Check the appropriate box below only if the platform has 20 million or more domestic subscribers and the Program budget equals or exceeds the applicable figure:			
20-35 Minutes*	36-65 Minutes	66-95 Minutes	96 Minutes or More
<input type="checkbox"/> \$1,500,000 or more <i>[To be increased by wage increases in each year of the Agreement]</i> for Programs or episodes of series commencing on or after January 1, 2019 <input type="checkbox"/> \$2,100,000 or more for Programs or episodes of series that commenced prior to January 1, 2019** or are subject to a license agreement entered into prior to January 1, 2019	<input type="checkbox"/> \$3,800,000 or more	<input type="checkbox"/> \$4,000,000 or more	<input type="checkbox"/> \$4,500,000 (plus \$2,250,000 for each additional 35 minutes or portion thereof) or more <input type="checkbox"/> More than \$45,000,000
*Includes two (2) eleven (11) minute segments produced for and initially exhibited as a unit. Check the "\$1,500,000 or more" box if the combined budget of the two segments meets the threshold. ** For series, production animation of the first episode must have commenced prior to January 1, 2019.			

LABOR RELATIONS/LINE PRODUCER/UPM CONTACT: _____
 Tel: _____ Email: _____

PRODUCTION OFFICE INFO:
 Address: _____ Address 2: _____
 City: _____ State / Province: _____ Postal Code: _____ Country: _____
 Tel: _____ Email: _____

PAYROLL SERVICE: _____