

**SCREEN ACTORS GUILD
INDEPENDENT PRODUCERS'
ULTRA LOW BUDGET LETTER AGREEMENT**

RE: “ _____ ”
Title of Picture

Dear _____:

You have informed Screen Actors Guild, Inc. (hereinafter “SAG” or “the Guild”) that _____ (hereinafter “Producer”) intends to produce a single motion picture of approximately _____ minutes running time entitled “ _____ ” (“Picture”). You have further advised us that the Picture has a budget of approximately \$ _____ (excluding deferred amounts) and approximately \$ _____ (including deferred amounts) and that the intended exhibition of the Picture is limited to the areas described in Paragraph 4 below. Based upon these representations and in reliance thereon, the Guild offers Producer the following special terms and conditions for the employment of professional performers:

1. Pictures Covered

This Independent Producers' Ultra Low-Budget Letter Agreement ("Agreement") applies solely to independently conceived and financed live action motion pictures filmed entirely in the United States. It is not intended for pictures produced for television broadcast, cable use, video/DVD markets or otherwise produced primarily for commercial exploitation. Animated projects and music videos are also specifically excluded from this Agreement. The determination of whether a specific motion picture qualifies for this Agreement shall be subject solely to the Guild's discretion.

2. Budget

The budget for the Picture shall not exceed \$200,000 (excluding deferrals). The budget figures include any payment required during production but exclude deferrals and participation. Producer shall submit a fully detailed production budget, shooting schedule and shooting script to the Guild prior to commencement of principal photography in order to permit verification.

NOTE: In no event shall the budget including deferrals exceed \$500,000. All deferrals must be reported to the Guild with the budget figures.

Within four (4) weeks of completion of principal photography, Producer shall submit to the Guild a detailed report of actual expenditures and other relevant materials the Guild may require showing actual cost of the production to date. In the event the actual production costs exceed the limits stated above, Producer shall pay to professional performers or to the Guild for the benefit of the professional performers, any additional sums necessary to bring the compensation of the professional performers into full and complete compliance with the minimum rates, terms and conditions specified in the then-current Screen Actors Guild Letter Agreement for Modified Low-Budget or Low Budget Theatrical Pictures as applicable provided, however, that if the actual costs of production exceed the budget limit for such agreements, the minimum rates, terms and conditions specified in the then-current Screen Actors Guild Agreement for Independent Producers of Theatrical Motion Pictures (hereinafter "Basic Agreement") shall apply. Pension and Health Plans contributions shall also be paid on any such additional amounts.

Producer shall also submit to the Guild a copy of the final version of the picture in VHS or DVD format. The Guild agrees that it will not copy, display or publicly distribute such copy of the Picture without prior consent of Producer.

3. Acceptance as Signatory Producer

Concurrently with the signing of this Agreement and as a condition thereto, Producer shall sign the current Basic Agreement, all the terms of which shall apply as described above except as hereby modified.

4. Exhibition Rights

Producer shall have the right to exhibit the Picture theatrically. Should the initial release not be in the theatrical market, the picture shall remain a "theatrical motion picture" for all purposes of the Basic Agreement, as modified herein, and shall not be reclassified as a "Made for Pay" or "Free Television" motion picture. If the picture is distributed outside of the theatrical market, residuals will be payable in accordance with General Provisions, Sections 5 and 5.2 of the Basic Agreement.

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

5. Performers Covered

The terms of this Agreement apply only to professional performers employed as principal performers, singers, dancers, stunt performers, stunt coordinators, body doubles, puppeteers, airplane and helicopter pilots, narrators and announcers. The terms of this Agreement shall not apply to background actors or to non-professionals employed for training or experience. Accordingly, Producer shall not be required to give preference of employment to professional performers in casting roles for this picture, nor shall the Union Security provision of the Basic Agreement be applicable to the employment of non-professionals or qualify a non-professional for membership in the Guild. In order to insure the safety of all cast, crew and production personnel, this exception shall not apply to the category of "stunt coordinator".

6. Minimum Payments to Covered Performers

The minimum rates for professional performers employed under this contract shall be as follows:

All Performers except Stunt Coordinators

\$100 per day

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

All payments shall be made by check, payable to the order of the individual performer entitled thereto and delivered to the Guild on the Thursday following each payroll week.

Each check must be accompanied by a separate written statement indicating dates worked, overtime, adjustments, reimbursements, tax deductions and name and address of the performer's "employer of record". At the discretion of the nearest Screen Actors Guild office, signed payroll sheets or slips and photocopies of checks sent to the Performers shall be delivered instead.

7. **Consecutive Employment/Availability**

Unless the performer is on an overnight location as defined in Section 10, Producer shall not be required to pay professional performers for any days intervening between days on which the professional performer is booked. No professional performer shall be required to "hold" any day available unless the professional performer is paid for such day.

Professional performers shall have the right to accept other professional employment during the course of production, however, the performer shall attempt to provide thirty-six (36) hours notice of a conflicting professional engagement.

8. **Length of Work Day, Meal Periods, Overtime**

The workday for professional performers shall be eight (8) consecutive hours, exclusive of time for meal periods. The professional performer's first meal period shall be called within six (6) hours from the time of reporting for work. Succeeding meal periods of the same professional performer shall be called within six (6) hours after the end of the preceding meal period. Such meal periods must be at least thirty (30) minutes long, but not more than one (1) hour long and the professional performer shall not be requested to or required to work during such meal periods. If these meal period rules are violated, the professional performer shall receive \$25 in liquidated damages for each half-hour of delay or fraction thereof.

If the professional performer is requested to or required to work beyond eight (8) consecutive hours, Producer shall pay the professional performer for each 1/10 of an hour unit, or fraction thereof, an amount equal to time and one-half of the professional performer's pro rata payment for the day.

No work shall be scheduled in excess of twelve (12) hours within any 24-hour period. The professional performer may consent to work more than twelve (12) hours in a work day, without the Guild's consent, however, Producer shall compensate the professional performer at a rate equal to two (2) times the professional performer's negotiated straight time rate or the day performer scale rate under the Letter Agreement for Modified Low-Budget Theatrical Pictures, which ever rate is higher, for any time worked in excess of twelve (12) hours in a day.

The professional performer must receive at least twelve (12) hours rest period between work days. If the rest period requirement is violated, the professional performer shall be paid an additional day's pay. Further, the professional performer may refuse to report if given less than ten (10) hours rest period between work days.

9. Pension and Health Contributions

Producer shall make a contribution to the SAG-Producers Pension and Health Plans at the applicable percentage rate in the Basic Agreement (15.3% for performers during the current period from June 10, 2009 to June 30, 2011) of the total compensation earned by all professional performers covered by this Agreement. Such contribution shall be paid in weekly installments accompanied by the appropriate Pension and Health Report and filed with the SAG office.

10. Travel

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

11. Record Keeping

Producer shall maintain accurate time sheets and employment contracts for all professional performers covered by this Agreement. Copies of all such records must be submitted to the Guild on a weekly basis.

12. Financial Security

For the protection of professional performers, Producer shall post with the Guild a security deposit in an amount acceptable to the Guild. Such deposit shall be posted prior to the commencement of rehearsals, if any, or of photography.

13. Clips Available to Professional Performers

Producer shall make available (at cost) clips of each professional performer's work in the Picture once principal photography is completed. Such clips shall be available in 16mm, 35mm, digital video, VHS or BETA, provided the professional performer bears the cost for required conversion from one medium to another.

14. Withholding Taxes, Social Security, Unemployment and Disability Insurance

All compensation paid to professional performers under the terms of this Agreement shall constitute wages and is subject to deductions for Income Taxes, Social Security and Disability Insurance. Producer shall make the necessary payments, reports and withholding deductions with respect to such taxes and premiums. Producer shall provide Unemployment Insurance coverage for professional performers by making appropriate registration and payments to the State.

15. Security Interest in Picture

The Guild, at its sole discretion, may require producer to execute documents necessary to grant the Guild a first position Security Interest in the Picture and related rights to protect professional performers and the Guild against any default in the performance of obligations under this Agreement. Producer shall provide the Guild with all chain of title documents relating to the Picture.

16. Waiver of 6th Day, 7th Day and Holiday Premiums

Producer may engage professional performers to perform on the 6th day, 7th day or holidays without payment of the premium rates described in the Basic Agreement. Such work shall be at the same rates as are applicable on normal workdays.

17. Screen Actors Guild Acknowledgement

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

Application of Agreement

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

19. Successors and Assigns

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

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

Very truly yours,

SCREEN ACTORS GUILD, INC.

By: _____

Title: _____

Accepted and Agreed To

By: _____
Signature

Print Name/Title

For: _____
Production Company

Date: _____

Revised as of 6/11/09EM