

Sideletter No. 10

As of July 1, 2005;  
Renewed as of July 1, 2008

Carol A. Lombardini  
Alliance of Motion Picture &  
Television Producers, Inc.  
15301 Ventura Boulevard, Building E  
Sherman Oaks, California 91403-5885

Dear Ms. Lombardini:

Reference is made to the Directors Guild of America, Inc. Freelance Live and Tape Television Agreement of 2008 ("the Agreement").

If the number of subscribers, calculated as prescribed in Article 29, Section D. of this Agreement, is 6,000,000 or more for the first exhibition year of a covered program, the provisions of this sideletter shall modify the provisions of Article 29 applicable to such program.

(1) The term "subsequent exhibition year" means a one year period commencing on the date immediately following the date the prior exhibition year ends. (There may or may not be an exhibition of the program during a subsequent exhibition year.)

(2) The "subscriber window" is eliminated.

(3) The percentage residual for the pay television exhibition of the program is eliminated, except for the pay-per-view exhibition of other than sports and non-staged event programs.

(4) The "per subscriber rate" shall be calculated by dividing thirty million (30,000,000) into the applicable free television minimum, but with respect to a "high budget pay television program," the 30,000,000 is divided into the theatrical minimum (from the 2008 Basic Agreement).

(5) The per subscriber rate for any exhibition year following the first exhibition year shall be a percentage of the per subscriber rate for the first exhibition year as shown in the schedule below:

Exhibition Year	Subscriber Factor
2	70%
3	50%
4	30%
5	25%
6	20%
7	15%
8	10%
9	10%
10	10%
11 and each subsequent year	5%

(6) Residual payments calculated by use of the per subscriber rate become due if there is an exhibition (excluding the "exempt run") during any exhibition year. If an exhibition occurs during the first six (6) months of an exhibition year, the residual payment is calculated at the end of the six (6) months and paid within thirty (30) days following the calendar quarter in which the calculation is to be made. If there is an exhibition in the second six (6) months of an exhibition year and no exhibition (excluding the "exempt run") in the first six (6) months, the residual payment is calculated at the end of the exhibition year and paid within thirty (30) days following the calendar quarter in which the calculation is to be made.

(7) For free television exhibitions of the program (excluding a "high budget pay television program"), the "accountable receipts plateau" is disregarded and the residual payment is discounted by ten percent (10%) in perpetuity. (As stated in Article 29, the first domestic telecast on free television is deemed the second run.)

(8) Residuals for pay television exhibitions outside of the U.S. and Canada shall no longer be calculated using the per subscriber rate. Instead, residuals for such exhibitions will

be two percent (2%) of “accountable receipts” which are to be calculated in accordance with the provisions of Section D.2.(f)-(h) of Article 29 of the FLTTA.

(9) Notwithstanding anything to the contrary above, no single exhibition year’s residuals for a particular “covered program” shall exceed the Director’s applicable minimum initial compensation for the program.

Sincerely,

Jay D. Roth  
National Executive Director

Agreed:

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Carol A. Lombardini