

SIDELETTER NO. 19

CONSERVATION COLLECTION SIDELETTER

As of November 1, 2000;
Revised as of July 1, 2002;
Revised as of July 1, 2005;
Revised as of July 1, 2008;
Revised as of July 1, 2011;
Revised as of July 1, 2014

This sideletter applies to: (a) any theatrical motion picture covered under the 2014 Directors Guild of America Basic Agreement which is released in the domestic theatrical market; and (b) any theatrical motion picture covered under the 2014 Directors Guild of America Basic Agreement intended for domestic theatrical release for which the Employer has not located a domestic theatrical distributor within six (6) months following the completion of post-production.

1. Objectives of the Conservation Collection

During the term of the 1999 Directors Guild of America Basic Agreement, the Directors Guild of America, Inc. ("DGA") and the Alliance of Motion Picture and Television Producers ("the AMPTP"), on behalf of the Employers it represented in the 1999 DGA negotiations for a successor agreement to the 1996 DGA Basic Agreement (referred to individually as "the Employer" and collectively as "the Employers"), established an archival collection, for conservation purposes, of 35 millimeter release prints of feature films. The collection is named "The Directors Guild of America–Motion Picture Industry Conservation Collection at the UCLA Film and Television Archive" ("the Collection")* and is housed at the Southern Regional Library Facility of the Film and Television Archive at the University of California at Los Angeles ("the Archive") in Los Angeles, California.

The objective in establishing the Collection was the conservation of release prints of the theatrical motion pictures described above so that they may be used as masters should the original film elements not survive in good condition or otherwise to assist in the restoration of films when necessary. Films in the Collection may also be used on an extremely limited basis for select non-commercial screenings, as is further provided in Paragraph 4, below. The Collection will help ensure that motion pictures survive for the cultural awareness and enjoyment of future generations.

* Should other entertainment entities become active participants in the establishment and/or funding of the Collection, the parties agree to give good faith consideration to renaming the Collection to include those entities.

2. The Role of the UCLA Film and Television Archive

The Collection is housed in temperature- and humidity-controlled vaults at the Southern Regional Library Facility of the Archive. The Collection is maintained by the Archive's staff in accordance with accepted techniques for the long-term storage of film and digital video elements.

The DGA and/or its representative(s) are responsible for raising the funds needed to pay the costs of administering the Collection, as specified in the separate agreement between the Archive, on the one hand, and the AMPTP and the DGA, on the other hand ("the Archive Agreement"). It is understood that the Archive will provide the DGA with a proposed budget for each calendar year not later than October 31st of the preceding year and that the final budget for each calendar year will be subject to negotiation between the DGA and the Archive. The proposed budget for each year must fall within a reasonable and expected range, given the Archive's budget for the preceding year. If the DGA deems that the budgetary increases proposed by the Archive are neither reasonable nor expected, the DGA and/or its representative may opt to discontinue its obligation to raise funds to support the Collection's administration. In that event, the Agreement between the Archive, on the one hand, and the DGA and the AMPTP, on the other hand, shall be deemed terminated and the Archive shall return each print in the Collection to the Employer which deposited the print, or to the holder of domestic theatrical rights to the picture.

The Archive will be responsible for receiving, inventorying, storing, insuring, and ensuring the ongoing quality, safety and security of the Collection, as well as any related administrative duties. The Archive will make certain that the highest standards are maintained to ensure minimal risk of damage to prints in the Collection. The Archive will also administer the approval process for loan requests, including maintaining and annually updating the list of authorized persons who may approve requests to borrow and/or exhibit prints.

The AMPTP, on behalf of the Employers, shall have the right to audit and inspect the Archive, at any time during regular business hours, for the purpose of assuring the Employers that the Archive is taking appropriate safety and security measures to prevent loss or damage to or piracy of the prints in the Collection. In the event the AMPTP finds that such safety and/or security measures are inadequate, the AMPTP shall have the unilateral right to discontinue this sideletter and the Archive Agreement upon not less than sixty (60) days written notice to the DGA and the Archive. During the sixty (60) day period following such notice, the AMPTP will consider any solutions proposed by the DGA and/or the Archive to remedy the inadequate safety and/or security measures. However, in the event that such notice is given, and the Archive fails, within the sixty (60) day period, to implement corrective measures satisfactory to the AMPTP (or fails, within the sixty (60) day period, to devise corrective measures satisfactory to the AMPTP with an appropriate plan and timetable for implementation), then each print in the Collection shall be returned to the Employer which deposited the print, or to the holder of domestic theatrical rights to the picture.

In addition to the foregoing, the DGA and AMPTP may discontinue their agreement with the Archive upon 180 days' written notice to the Archive. The Collection will otherwise remain at the

Archive, which cannot opt to discontinue housing the Collection, as long as appropriate funding, as is more particularly described in the Archive Agreement, is available.

3. Print Deposit Guidelines

Each Employer shall be obligated to deposit with the Archive one (1) new, first class 35mm print, preferably a show print, of each theatrical motion picture described in the first paragraph of this sideletter. Each print must be delivered in the same format as was used for its first run release, preferably a quad print. Prints must be delivered to the Archive either on cores, in cans, or on reels in ICC cases, in accordance with the Archive Agreement. The Employer will deposit or cause to be deposited a print of each such theatrical motion picture within thirty (30) days after its release in the domestic videocassette, DVD, or laserdisc market. If the theatrical motion picture has not been released in the domestic videocassette, DVD or laserdisc market within one (1) year following its theatrical release, the DGA may, at any time thereafter, request that a print be deposited with the Archive and the Employer agrees not to unreasonably deny the DGA's request. The Employer will bear the costs associated with obtaining and delivering a print to the Archive.

Each print should be pre-screened by the Employer prior to delivery to the Archive. The Archive will perform quality control checks on newly-deposited prints to the greatest extent possible.

At the time that it deposits the print with the Archive, the Employer shall designate in writing the name(s) of its representative(s), or the name(s) of the representative(s) designated by the entity which holds the Employer's domestic theatrical rights ("the domestic theatrical rights holder"), who shall be authorized to act on requests to borrow the print of the theatrical motion picture. The Employer or the domestic theatrical rights holder may, at any time, give the Archive notice of a change in the identity of those representatives and the Archive shall, following receipt of such written notice, contact the newly-designated representative(s) in connection with any request to borrow the print of the theatrical motion picture. The Archive will update the list of all representatives annually and, upon request of the DGA, furnish a copy of the list to the DGA.

In the event that the Employer is not also the distributor of the theatrical motion picture, the Employer shall bind the distributor holding domestic theatrical rights to the foregoing obligations.

The DGA will review its records of completed signatory films on a quarterly basis and notify the AMPTP and the respective Employer or its domestic theatrical rights holder of any films which have not been deposited as required.

4. Guidelines for the Use of Prints in the Collection

Any request to borrow a Collection print for exhibition or for use in the restoration process shall be made in writing to the Archive. The Archive shall forward a copy of the request to the DGA and to the authorized representative of the Employer or the domestic theatrical rights holder whose theatrical motion picture is the subject of the request. The decision to grant or deny such a request shall be within the sole discretion of the Employer which produced the film in question

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or the domestic theatrical rights holder. However, all such requests must be considered in light of the objectives set forth above and in keeping with these guidelines.

The Collection is not a print exchange. Prints will be loaned for exhibition only if all of the following conditions are satisfied:

- a. the screening is non-commercial and in connection with a retrospective of the work of one or more of the key creators involved in making that film;
- b. the screening is at a major venue or theater operated by one of the talent guilds, the Academy of Motion Picture Arts and Sciences, the Archive, the National Film Archive at the Library of Congress, Eastman House, the Museum of Modern Art, or any other venue approved by the parties; provided that prints will be loaned only to those venues which meet the projection standards outlined in the standard Archive Loan Agreement; and
- c. a print of adequate quality is not practically or readily available from any other source.

Prints in the Collection are not available for study or other use at film schools and universities. Prints in the Collection may not be copied, onto videotape or otherwise, except in connection with mutually approved restoration efforts.

The Archive will provide the DGA and the AMPTP with an annual report listing all loan requests, approvals and denials.

5. Approval Procedures

After receiving a request for print usage, the Archive will seek written confirmation or approval of one of the representative(s) designated by the signatory Employer or the domestic theatrical rights holder, who has the authority to act upon such requests. The decision to grant or deny a request shall rest solely within the discretion of the Employer or the domestic theatrical rights holder. However, the Employer, or the domestic theatrical rights holder, must consider every such request in good faith and may not unreasonably withhold its consent. The actions of the Employer and the domestic theatrical rights holder must be consistent with the objectives of the Collection. The Archive shall be responsible for processing all requests for print usage, including communicating the decision to approve or deny the request.

The Archive will keep a log of all requests for print usage, and whether the requests were granted or denied.

6. Terms and Conditions of Use of Prints in the Collection

All expenses incurred in connection with the exhibition or other approved use of a Collection print will be borne by the borrower. No print will be loaned to a borrower which does not have adequate liability insurance in place and the Archive must be made an additional named insured on any such policy before a print is released to the borrower. In lieu of insurance, the borrower may post a bond or cash deposit or otherwise escrow funds sufficient to replace the print before it will be released to the borrower. Should a print be so badly damaged that it cannot be repaired and must be replaced, and the borrower does not have sufficient insurance coverage or other resources to fund replacement of the damaged reel or print, then the Employer, or the domestic theatrical rights holder, is encouraged to replace the damaged reel or entire print, but the cost of doing so shall be borne by the borrower.

When a print from the Collection is loaned for exhibition or for restoration purposes, the borrower must make the following acknowledgments, as appropriate:

- ◆ written credit in the program material;
- ◆ verbal acknowledgment during the actual program; and
- ◆ screen credit in the case of a restoration or use of clips.

In each instance, the borrower must refer to the Collection as “The Directors Guild of America–Motion Picture Industry Conservation Collection at the UCLA Film and Television Archive.”

7. Reporting Procedure and Dispute Resolution Process

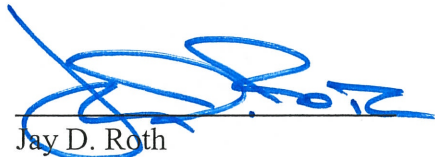
The DGA and the AMPTP will each designate an individual to serve on a subcommittee which will have the authority to resolve any problems regarding print use or any other matter arising under or pertaining to this Sideletter.

Except as provided in the following sentence, disputes arising under this sideletter shall not be subject to grievance nor arbitration, but shall instead be referred exclusively to the bargaining party subcommittee referred to in the preceding paragraph for resolution. Disputes arising under Paragraph 3 of this sideletter shall be subject to grievance and arbitration under Article 2 of the Basic Agreement, but the authority of the arbitrator shall be limited to ordering the Employer and/or the domestic theatrical rights holder to deposit immediately with the Archive a print of the motion picture that is the subject of the dispute.

ACCEPTED AND AGREED:



Carol A. Lombardini



Jay D. Roth