

July 26, 2011

Mr. Ian Hay  
Arctic Productions Ltd.  
3180 - 262nd Street  
Aldergrove, BC  
V4W 2Z6

Dear Ian:

This Letter of Understanding confirms our agreement that the CMPA Collective Agreement with ACFC West, Local 2020 CEP, as ratified November 28<sup>th</sup>, 2010 (the "CMPA Master"), shall apply to the Television Series "Arctic Air" under the company name Arctic Productions Ltd ("Arctic Air").

Pursuant to Article 2.02 of the CMPA Master, the following enabling shall apply to Arctic Air, season one (1).

- Use of the 2011 'Low Budget Features and Slow Season' rates less \$.50 (which is the 2010 rates). For example, the Key Grip scale rate will be \$25.50 per hour and the Grip scale rate will be \$20.00 per hour.
- All travel of one half hour (30 minutes), or less, from the edge of the zone will be subject to a \$5.00 per day buyout for the affected crew member. The production may exercise an alternative option for the prep and office crew whereby technicians may be compensated with time worked. For example, prep crew working a twelve hour day may be directed to manage their work day such that twelve work hours is inclusive of travel time.
- Crewing flexibility at the production's discretion for any 'northern' shooting (Northwest Territories, the Yukon, or Northern BC). This includes the ability to use 'swing' labor on northern locations.
- French Hours may be adjusted depending upon the practical realities presented by northern daylight hours.
- Distant Location per diem to be \$100.00 per day. Any meals provided shall be subtracted from the per diem on both prep, shooting, and off days.
- The union portion of the Producer Levy (1%) will be waived and the Pension fringe reduced from 2% to 1%. The total fringe reduction is, therefore, 2%.

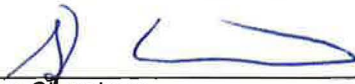
All other terms and conditions of the CMPA Collective Agreement with ACFC West, Local 2020 CEP will remain in effect.

Congratulations and all the best on your project.

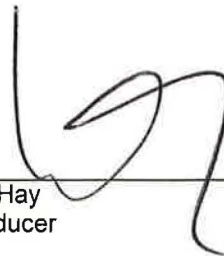
Agreed to and accepted upon signing by both parties.



Richard Chilton  
ACFC West, Local 2020 CEP



Greg Chambers  
ACFC West, Local 2020 CEP



Ian Hay  
Producer

Date Signed: 29 day of July, 2011

