

June 18, 2012

Mr. Ian Hay
Arctic II Productions Ltd.
204-111 Water Street
Vancouver, BC
V6B 1A7

Dear Ian:

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


Pursuant to Article 2.02 of the CMPA Master, the following enabling shall apply to Arctic Air Season Two:

- Use of the 2012 'Low Budget Features and Television' rates less \$.50 (which are the 2011 rates). For example, the Key Grip scale rate will be \$26.00 per hour and the Grip scale rate will be \$20.50 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 on shooting days and \$130.00 per day on days off. 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%.
- When returning from Yellowknife the union will not penalize the production for travelling prior to a day off. The alternative would have been to take the day off in Yellowknife then return home the following day, which would save on possible turnaround penalties. The union recognizes the producers and crewmembers benefit in having their day off at home rather than in Yellowknife.


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.



Joseph Condon
ACFC West, Local 2020 CEP



Greg Chambers
ACFC West, Local 2020 CEP



Ian Hay
Producer

Date Signed: 22 day of June, 2012

