

June 26, 2013

Mr. Ian Hay  
Arctic III 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 December 2nd, 2012 (the "CMPA Master"), shall apply to the Television Series "Arctic Air Season Three" under the company name Arctic III Productions Ltd ("Arctic Air Season Three").

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

- Use of the 2013 'Low Budget Features and Television' rates. For example, the Key Grip scale rate will be \$27.00 per hour and the Grip scale rate will be \$21.50 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.
- While in the Northwest Territories or Yukon Distant Locations per diem to be \$100.00 per day on shooting days and \$130.00 per day on days off. Otherwise, the per diem shall be as per the contract. 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 crew members benefit in having their day off at home rather than in Yellowknife.

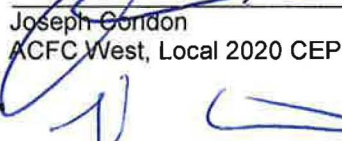
All other terms and conditions of the CMPA Collective Agreement with ACFC West, Local 2020 CEP will remain in effect.

Congratulations and all the best on your project.

Agreed to and accepted upon signing by both parties.

  
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Joseph Gordon  
ACFC West, Local 2020 CEP

  
\_\_\_\_\_  
Ian Hay  
Producer

  
\_\_\_\_\_  
Greg Chambers  
ACFC West, Local 2020 CEP

Date Signed: 8<sup>th</sup> day of JULY, 2013

