

Replace in its entirety “Sideletter on Exhibition of Motion Pictures Transmitted via the Internet” as follows:

**SIDELETTER ON EXHIBITION OF MOTION PICTURES
TRANSMITTED VIA NEW MEDIA**

As of May 2, 2001
Revised as of November 1, 2004
Revised as of November 1, 2007

J. Nicholas Counter III
President
Alliance of Motion Picture & Television Producers, Inc.
15503 Ventura Boulevard
Encino, California 91436

Re: Exhibition of Motion Pictures Transmitted Via New Media

Dear Nick:

This Sideletter confirms the understanding of the Guild and the Companies (collectively “the parties”) concerning the application of the MBA to the exhibition of theatrical and television motion pictures, or portions thereof, covered under any MBA and for which residuals are otherwise payable, on or by means of any or all digital distribution platforms now known or which are hereafter developed (‘new media’), including, but not limited to, the Internet (wired or wireless) and wireless telephony (cellular and successor technologies), but not including methods of distribution addressed in other provisions of the MBA such as free television, basic cable, pay TV, home video, radio, and interactive programs, even if digital.¹

1. **Where the Viewer Pays.** Where the viewer pays for the program either on a subscription or per-picture basis, the Company shall pay to the credited writer(s) an aggregate sum equal to two and one-half percent (2.5%) of the Company’s accountable receipts (as defined in Article 51.C.1.a.) derived from the right to exhibit such picture on or by means of new media.

The parties agree that the residuals due to writers under this paragraph 1 shall be payable in the same manner and to the same extent as applicable to pay television and pay-per-view as provided in the following MBA provisions (subject to conforming changes as necessary):

- a. Article 51.C.3. (foreign receipts and non-returnable advances);
- b. Article 51.C.5. (allocation of pro rata shares of residuals among writers);
- c. Article 51.C.6. (time of payment, payment requirements, reporting,

¹The parties reserve their respective legal rights and positions as to the applicability of Article 64 to interactive programs transmitted via new media.

- and exclusion from pension and health requirements);
- d. Article 51.C.7. (gross participations);
- e. Article 51.C.8. (transfer and assumption);
- f. Article 51.C.9. (assumption agreement);
- g. Article 51.C.10. (continuing obligations); and
- h. Article 65 (financial responsibility).

2. Where the Viewer Does Not Pay.

Where the viewer does not pay for the program,

a. Theatrical

the Company shall pay the credited writer(s) an aggregate sum equal to two and one-half percent (2.5%) of the Company's "accountable receipts" (as defined in Article 51.C.1.a.) for the right to exhibit such picture on or by means of new media; and,

b. Television

- i. for up to one year from the date of initial exhibition of the program, the Company shall pay the credited writer(s) a sum equal to three percent (3%) of the applicable minimum for each calendar quarter in which the program is available for viewing in the United States and Canada only. In addition, for viewings initiated ("streams") in excess of 100,000 in each such calendar quarter, Company shall pay an additional three percent (3%) of the applicable minimum for each successive 100,000 streams, or part thereof.

Article 16.B.2. sequel payments are subject to the additional compensation in this subparagraph 2.b.i.

- ii. thereafter, the Company shall pay the credited writer(s) an aggregate sum equal to two and one-half percent (2.5%) of the Company's "accountable receipts" (as defined in Article 51.C.1.a.) for the right to exhibit such program on or by means of new media.

With respect to this paragraph 2., the writers shall receive such additional monies pursuant to the payment provisions of Article 51.C. and Article 65. Reporting with respect to subparagraph 2.b.i. above shall also include the number of streams per quarter for each program. Compensation payable pursuant to this paragraph 2. shall be included in "gross compensation" for purposes of Article 17 of this Basic Agreement.

If, in the upcoming negotiations with SAG and/or the DGA, the Company agrees to modify the basic substantive provisions regarding reuse on new media, Company will so advise the Guild and accord it the opportunity to elect that this Sideletter be modified in the same manner as of the date on which the Guild so notifies the Company.

Very truly yours,

WRITERS GUILD OF AMERICA, WEST, INC., on
behalf of itself and its affiliate, WRITERS GUILD
OF AMERICA, EAST, INC.

By:

David J. Young
Executive Director, WGAW

ACCEPTED AND AGREED:

The respective signatory companies represented by the
ALLIANCE OF MOTION PICTURE & TELEVISION PRODUCERS, INC.

By:

J. Nicholas Counter III

Make conforming changes as needed, including change to Article 17.

12-4-07