

AGREEMENT
BETWEEN
LOCAL UNITED SCENIC ARTISTS 829
AND
SESAME WORKSHOP

Agreement made and entered into as of July 1, 2007 by and between Local United Scenic Artists 829 International Alliance of Theatrical Employees (hereinafter referred to as the "Union") and Sesame Workshop (f/k/a Children's Television Workshop) hereinafter referred to as "Sesame".

I. SCOPE

During the term hereof, Sesame (or any of its subsidiaries or affiliates) will employ, when needed, employees in the following categories: Art Director/Scenic Designer, Assistant Art Director/Scenic Designer, Costume Designer and Assistant Costume Designer, Chargeman Scenic Artists and Journeyman Scenic Artists for its television productions when produced within the geographic limits of the Union's jurisdiction as defined in Article III.B. Each television production including but not limited to the SESAME STREET series, GHOSTWRITER, 3-2-1 CONTACT series, SQUARE ONE TV series, Specials, original home video production and original pay-tv productions shall be separately contracted for and paid in accordance with the rates specified herein; provided, however, that all rates in this agreement shall be subject to reduction by 25% with respect to (a) home video programs produced in whole or in part for distribution by Sesame and not for distribution by a third party and (b) programs originally produced for basic cable.

A. ART DIRECTOR/SCENIC DESIGNER

The Art Director or Scenic Designer (herein "Art Director") may execute and is responsible for:

1. The production of all illustrations, continuity, sketches, perspectives, scenery and set designs.
2. Scale models for such scenery, sets and props.
3. Designation of surface coloration and texture.
4. Drafting of all plans and elevations.
5. Approval on sets (a set shall be defined as a locale for story development), and properties, the dressing of sets and scenery.
6. Finding and recommending to the director locations which are visually suitable for the production.

B. COSTUME DESIGNER

The Costume Designer or Stylist (herein referred to as the "Costume Designer") is responsible for:

1. The complete costume breakdown as specified by the finished scene numbered scripts; a costume is anything worn by a player.
2. The production of all costume designs, color sketches or outline sketches with color samples attached including drawings or necessary descriptions of detail and its application.

3. All selection from existing costumes whether purchased, promoted, rented or chosen from a performer's personal wardrobe. The Costume Designer shall select all necessary purchased costumes.
4. The supervision of all necessary fittings and alteration of costumes, and for the selection of all necessary fabrics and trims.
5. The design and selection of all costume accessories. The Costume Designer shall select all necessary costume accessories.
6. Costume Designer shall not at any time, whether in Studio or on location be required to perform the functions of wardrobe personnel.

C. ASSISTANT ART DIRECTOR/SCENIC DESIGNER

The Assistant Art Director, if engaged, must meet with the approval of an Art Director and assist as necessary in the work outlined in Paragraph A above.

D. ASSISTANT COSTUME DESIGNER

The Assistant Costume Designer, if engaged, must meet with the approval of the Costume Designer and assist in the work outlined in Paragraph B above.

E. CHARGEMAN SCENIC ARTIST

The Chargeman Scenic Artist, when needed, may be engaged by third parties for Sesame with the approval of the Art Director, and shall be responsible to the Art Director for the accomplishment of work which includes but is not limited to the following:

1. The preparation, painting and/or coloration of all textures, plastering, appliquéing on scenery; sets and properties as necessary.
2. The application of all decorative wall or surface coverings applied by any means.
3. All lettering and sign work, sculpturing and modeling, portraits or special art work, etc., which is used in conjunction with or on scenery as well as all art work which is used as background for scenes or is similarly used to set the mood of a scene and any retouching of photographs therefor.
4. Miniature sets and/or models.
5. Original art work for slides used for projections.

F. JOURNEYMAN SCENIC ARTISTS

Journeyman Scenic Artists, when needed, must meet with the approval of the chargeman, as necessary to assist in the work outlined in Section I.E. above. Only Journeyman Scenic Artists shall be engaged by third parties for Sesame to assist in the accomplishment of such work.

II. WARRANTY

The Union represents and warrants, and it is of the essence hereof, that it represents and will continue for the period of this Agreement to represent for collective bargaining purposes a majority of the Employees described in Paragraph I hereof by Sesame.

III. A. RECOGNITION

Sesame recognizes the Union as the exclusive collective bargaining agent for the employees subject to the provision of Section 9(a) of the Labor-Management Relations Act of 1947, as amended.

B. JURISDICTION

Sesame recognizes the Union jurisdiction hereunder as any place within 50 miles of the World Trade Center, New York City.

IV. UNION SHOP

During the Term of this Agreement, Sesame will employ in the positions covered by this Agreement and maintain in its employ in such positions, only such persons as are members of the Union in good standing or as shall make applications for membership in the Union on or before the thirtieth (30) day following either the date of hiring or the date of execution of this Agreement, whichever is later; provided, however, that nothing in this paragraph shall be construed to require Sesame to cease employing or refrain from employing any such person if Sesame has reasonable grounds for believing that:

- A. Membership in the Union was not available to such person on the same terms and conditions generally applicable to other members, or
- B. Membership in the Union was denied or terminated for reasons other than such person's failure to render the periodic dues and the initiation fees uniformly required by the Union as a condition of acquiring or retaining membership.

V. UNION DUES

Sesame agrees to deduct Union membership dues at the prevailing rate which is currently 2% of gross earnings and transmit the same to the Union with a statement of employees covered and the dates of employment whenever applicable, in accordance with the National Labor Relations Act as amended.

VI. NO STRIKE

The Union agrees that during the term of this Agreement, it will not strike, sympathy strike, picket, boycott or otherwise interfere with or curtail Sesame's production, operations or activities. The Union will use its bona fide efforts to have its members comply with the provisions of the foregoing sentence.

VII. NO DISCRIMINATION

- A. No designer shall be dismissed or otherwise penalized by Sesame for fulfilling his/her obligations as a member of United Scenic Artists.
- B. Sesame and Union will not discriminate against any Designer because of his/her age, race, creed, sex, color, nationality, handicap or sexual orientation..

VIII. WAGES & RATES

- A. Art Director/Scenic Designer – Minimum weekly scale rates for an unlimited hour, five (5) day week:

| | | |
|-----------------------------|-----------------------------|-----------------------------|
| 7/1/07 to <u>6/30/08</u> | 7/1/08 to <u>6/30/09</u> | 7/1/09 to <u>6/30/10</u> |
|-----------------------------|-----------------------------|-----------------------------|

| | | |
|-----------|-----------|------------|
| \$3669.34 | \$3761.07 | \$3,873.90 |
|-----------|-----------|------------|

B. Costume Designer – Minimum weekly scale rates for an unlimited hour, five (5) day week:

| | | |
|-------------------------------------------|-------------------------------------------|-------------------------------------------|
| 7/1/07 to <u>6/30/08</u> \$3,572.79 | 7/1/08 to <u>6/30/09</u> \$3,662.11 | 7/1/09 to <u>6/30/10</u> \$3,771.98 |
|-------------------------------------------|-------------------------------------------|-------------------------------------------|

C. Assistant Art Director/Scenic Designer – Minimum weekly scale rates: These rates are for a forty (40) hour week, which shall include a non-deductible, one (1) hour meal period per day. The first two (2) hours (the ninth (9th) and (10th) hours) of overtime, shall be paid at one and one-half (1½) times one-fortieth (1/40) of the “minimum weekly scale rates”. All overtime after the tenth (10th) hour shall be computed at double time.

| | | |
|-------------------------------------------|-------------------------------------------|-------------------------------------------|
| 7/1/07 to <u>6/30/08</u> \$1,949.35 | 7/1/08 to <u>6/30/09</u> \$1,998.09 | 7/1/09 to <u>6/30/10</u> \$2,058.03 |
|-------------------------------------------|-------------------------------------------|-------------------------------------------|

Minimum daily scale rates: These rates are for a eight (8) hour day which shall include a non-deductible one (1) hour meal period. The first two (2) hours (the ninth (9th) and (10th) hours) of overtime, shall be paid at one-half times one-eighth (1/8) of the “minimum daily scale rates”. All overtime after the tenth (10th) hour shall be computed at double time.

| | | |
|-----------------------------------------|---------------------------------------|---------------------------------------|
| 7/1/07 to <u>6/30/08</u> \$554.58 | 7/1/08 to <u>6/30/09</u> 568.45 | 7/1/09 to <u>6/30/10</u> 585.50 |
|-----------------------------------------|---------------------------------------|---------------------------------------|

D. Assistant Costume Designer – Minimum weekly scale rates: These rates are for a forty (40) hour week, which shall include a non-deductible, one (1) hour meal period per day. The first two (2) hours (the ninth (9th) and (10th) hours) of overtime, shall be paid at one and one-half (1½) times one-fortieth (1/40) of the “minimum weekly scale rates”. All overtime after the tenth (10th) hour shall be computed at double time.

| | | |
|-------------------------------------------|-------------------------------------------|-------------------------------------------|
| 7/1/07 to <u>6/30/08</u> \$1,911.26 | 7/1/08 to <u>6/30/09</u> \$1,959.04 | 7/1/09 to <u>6/30/10</u> \$2,017.81 |
|-------------------------------------------|-------------------------------------------|-------------------------------------------|

Minimum daily scale rates: These rates are for a eight (8) hour day which shall include a non-deductible one (1) hour meal period. The first two (2) hours (the ninth (9th) and (10th) hours) of overtime, shall be paid at one-half times one-eighth (1/8) of the “minimum daily scale rates”. All overtime after the tenth (10th) hour shall be computed at double time.

| | | |
|---------------------------------------|-----------------------------------------|-----------------------------------------|
| 7/1/07 to <u>6/30/08</u> 558.33 | 7/1/08 to <u>6/30/09</u> \$572.28 | 7/1/09 to <u>6/30/10</u> \$589.45 |
|---------------------------------------|-----------------------------------------|-----------------------------------------|

E. Scenic Artists

Sesame may employ the services of Chargeman Scenic Artists and Journeyman Scenic Artists in accordance with the following rates:

Chargeman Scenic Artist

| | <u>Weekly</u> | <u>Daily</u> | <u>Hourly</u> |
|--------------------------|---------------|--------------|---------------|
| 7/1/07 to <u>6/30/08</u> | \$2,324.10 | \$464.82 | \$58.10 |
| 7/1/08 to <u>6/30/09</u> | \$2,382.20 | \$476.45 | \$59.55 |
| 7/1/09 to <u>6/30/10</u> | \$2,453.67 | \$490.74 | \$61.34 |

Journeyman Scenic Artist

| | <u>Weekly</u> | <u>Daily</u> | <u>Hourly</u> |
|--------------------------|---------------|--------------|---------------|
| 7/1/07 to <u>6/30/08</u> | \$1,939.12 | \$418.31 | \$52.28 |
| 7/1/08 to <u>6/30/09</u> | \$1,987.60 | \$428.77 | \$53.59 |
| 7/1/09 to <u>6/30/10</u> | \$2,047.23 | \$441.63 | \$55.20 |

The working hours and overtime provisions applicable to Scenic Artists are set forth in the attached Schedule A.

Services of Chargeman Scenic Artists and Journeyman Scenic Artists may be provided by third parties whose employees receive economic terms and conditions of employment at least as favorable to employees as those set forth in this Agreement.

F. Home Videocassette Payment

The provisions of this Article VIII paragraph F. shall apply only to programs or program material initially produced for (a) broadcast on Public Television or (b) distribution in the Home Video market through a distributor other than Sesame (or an affiliated company) which has funded production of the videocassette program. Art Directors and Costume Designers who are engaged by Sesame for the studio production of such programs or program material shall be entitled to compensation as follows:

1. If Sesame produces a videocassette title for release in the home video market consisting of newly produced wraparound material and previously broadcast program material, the eligible Art Director and Costume Designer engaged in the production of the wraparound material shall be entitled to compensation in an amount equal to one day's pay for each videocassette title so released;
2. If Sesame distributes a previously produced television program in the home video market, the eligible Art Director and Costume Designer who were engaged in the original production of the program shall be entitled, at the time of such distribution, to compensation in an amount equal to one day's pay for each videocassette title so distributed;
3. If Sesame produces a program exclusively for release in the home video market, the eligible Art Director and Costume Designer shall be paid as specified in this agreement for programs produced hereunder. However, if such videocassette title is subsequently broadcast in free television through the Public Broadcasting System the eligible Art Director and Costume Designer shall be entitled to compensation in an amount equal to one day's pay as a buyout for all such Public Television Broadcast;

4. If a videocassette covered by this Paragraph F. includes program material created by more than one Art Director and/or Costume Designer, any compensation provided pursuant to this Paragraph shall be distributed to the eligible individuals on a pro-rata basis in accordance with the distribution formula determined by the Union.
5. A "videocassette" shall be defined for the purposes of this Agreement as any audio-visual device, including a cassette, a disc, or a cartridge, which contains a program and which is designed to be re-played in the home through a television monitor which is technically capable of also receiving a television broadcast transmission.

IX. WORKING HOURS

All employees engaged on an unlimited hour basis shall have a work schedule permitting for two (2) days off during any seven (7) days of employment. If, however, the presence of the Art Director, Scenic Designer or Costume Designer is required beyond five (5) days for shooting on location or studio, the sixth and seventh day shall be compensated at 3/10 of the weekly rate for each such day worked. Schedule A, attached hereto, is incorporated by reference with respect to working hours only.

X. TRANSPORTATION & EXPENSES

All employees engaged on overnight locations out-of-town shall be provided with travel accommodations in accordance with Sesame policy. Sesame shall pay all necessary reasonable expenses of any employee while on location.

XI. HOLIDAYS

The parties hereto recognize the following holidays:

| | |
|------------------------------------------|--------------------------------|
| New Year's Day | Labor Day |
| Martin Luther King Day | Election Day |
| President's Day | Thanksgiving Day |
| Memorial Day | Day Following Thanksgiving Day |
| Independence Day (July 4 th) | Christmas Day |

If Christmas, New Year's Day, Memorial Day or July 4th falls on a Saturday, it shall be celebrated on the immediately preceding Friday. If any Holiday falls on a Sunday, it shall be celebrated on the immediately following Monday. All work done on the aforementioned holidays shall be paid at the double time rate.

XII. AIR CREDITS

A. Whenever Air Credit is given to the director of the program, Sesame shall give both the Art Director/Scenic Designer and Costume Designer credit. Such credits shall be given in the following forms:

1. Art Director/Scenic Designer:

"Art Director _____"

or

"Art Direction by _____"

or

"Scenic Designer _____"

or

"Scenic Design by _____"

2. Costume Designer:

“Costume Designer _____”
or
“Costumes Designed by _____”

- B. An Assistant Art Director/Scenic Designer and Assistant Costume Designer who is employed on a full time basis on a program series shall receive air credit.

XIII. VACATION TIME

Employees shall accrue paid vacation time with respect to each production on which they work during a calendar year. The vacation accrual with respect to each production on which a Designer works shall be determined by multiplying three (3) weeks by a fraction, the numerator of which is the number of days worked on the production in the year and the denominator of which is 245. In no event, however, shall a Designer accrue more than three (3) weeks nor less than one (1) day vacation with respect to any one production in a single year, nor shall a Designer who works a full “season” on SESAME STREET accrue less than one week vacation with respect to SESAME STREET for that year.

In no event, however, shall a member receive vacation pay for less than one month of work.

XIV. PENSION AND WELFARE

- A. Sesame agrees to contribute a percentage of gross salary (including overtime) to the Pension and Welfare Fund of the Union during the term of this Agreement in accordance with the following rates:

7/1/07 to 6/30/08 – 14%

7/1/08 to 6/30/09 – 15%

7/1/09 to 6/30/10 – 15%

- B. Contribution to the IATSE Annuity Fund:

For the duration of the Agreement and any renewals or extensions thereof, Sesame agrees to make payments to the IATSE Annuity Fund for each employee covered by the Agreement as follows:

1. For each day or portion thereof, for which an employee receives pay, Sesame shall make a contribution of four dollars and ninety cents (\$5.90) to the above named Pension Fund.
2. For the purpose of this paragraph, each day paid for, including days attributable to show up time, and other days for which pay is received by the employee in accordance with this Agreement, shall be counted as days for which contributions are payable.
3. Contributions shall be paid on behalf of any employee starting with the employee’s first day of employment in a job classification covered by this Agreement.
4. The payments to the IATSE Annuity Fund pursuant to this Paragraph B. shall be made to the IATSE Annuity Fund, 55 West 39th Street, 5th Floor, New York, NY 10018-3803.

- C. Sesame hereby irrevocably designates as its representative on the Board of Trustees such Trustees as are now serving, or who will in the future serve, as Sesame Trustees, together with their successors. Sesame further agrees to be bound by all actions taken by the Trustees pursuant to the said Agreement and Declaration of Trust.

- D. All contributions shall be made at such time and in such manner as the Trustees require, and the Trustees shall have the authority to have an independent Certified Public Accountant audit the payroll and wage records of Sesame for the purpose of determining the accuracy of contributions to the Pension Fund.

- E. If Sesame fails to make contributions to the Pension Fund within twenty (20) days after the date required by the Trustees, the Union shall have the right to take whatever steps are necessary to secure compliance with this Agreement, any other provision hereof to the contrary notwithstanding, and Sesame shall be liable for all costs of collection of payments due together with attorney fees and such penalties as may be assessed by the Trustees. Sesame's liability for payment under this Article shall not be subject to or covered by any grievance or arbitration procedure or any "no-strike" clause which may be provided or set forth elsewhere in this Agreement.
- F. The Pension Plan adopted by the Trustees of said Pension Fund shall at times conform with the requirements of the Internal Revenue Code so as to enable Sesame at all times to treat contributions to the Pension Fund as a deduction for income tax purposes.

XV. ADJUSTMENT OF DISPUTES

- A. Any and all complaints, disputes, controversies, and grievances of any kind or nature arising between Sesame and the Union concerning the interpretation, operation, application or performance of the terms of this Agreement, or any complaint, dispute, controversy or grievance involving a claimed breach of any of the terms and conditions of this Agreement, shall be undertaken in accordance with the following procedure: The matter shall be taken up by representatives of Sesame and the Union; and, if no adjustment can be arrived at, the dispute shall be submitted to an arbitrator.
- B. The party initiating the disputed matter shall ask the American Arbitration Association to appoint an arbitrator and such appointee shall be the arbitrator in the matter involved, and the arbitration shall proceed in accordance with the rules of the American Arbitration Association. The decision of the arbitration shall be final and binding upon both parties and shall be fully enforceable. It is understood that the arbitrator shall not have the power to amend, alter or subtract from this Agreement or any provision thereof.
- C. It is agreed that time is of the essence in any arbitration, and both parties will exert their best efforts to obtain a speedy decision. Therefore, the hearing shall be held on five (5) working days notice and shall be concluded within fourteen (14) days from the first hearing unless otherwise ordered by the arbitrator. The award of the arbitrator shall be made within seven (7) days after the close of the hearing.
- D. The cost of the arbitration shall be shared equally by both parties.

XVI. DAMAGES

- A. Sesame agrees that it shall honor the spirit and intent of this Agreement, and it shall not sub-contract work in such a manner to defeat the purposes of this Agreement; Sesame shall insure that for any work performed by employees of this Union for the benefit of Sesame, such Employees shall not receive any salary or other economic terms and conditions of employment less than the minimum scale and provisions herein.
- B. In the event Sesame violates Section XVI, A. hereof, Sesame shall pay to the Union as liquidated damages for each such breach the difference between the actual total cost of such employees and what the actual labor cost of such employees would be under this Agreement.
- C. If at any time Sesame is denied the use of TV Studio Facilities due to the operation of this section, Sesame may reopen this section of the Agreement upon five days notice to the Union. If the Union and Sesame are unable to reach agreement within five days of such notice, the issue in dispute may be submitted to arbitration.

XVII. NO INDEPENDENT CONTRACTORS

Sesame shall deduct from payments made to Employees all applicable payroll and withholding taxes. No Designer shall be hired as an independent contractor.

XVIII. ACCESS TO PREMISES

Authorized Union Representatives shall have full access to all studios and working areas.

XIX. APPLICABLE LAWS SHALL BE OBSERVED

In carrying out this Agreement, it is understood that both parties will comply with all applicable law. This Agreement and all matters or issues collateral thereto shall be governed by the law of the State of New York applicable to contracts made and performed entirely therein.

XX. CHANGES AND MODIFICATIONS

This Agreement may not be changed, modified, renewed, extended or discharged except by an Agreement in writing signed by the party against whom enforcement of the change, modification, renewal, extension or discharge is sought.

XXI. NEW TECHNOLOGIES

The parties agree that they will negotiate in good faith should Sesame produce programming originally intended for exhibition on CD-ROM or on the internet regarding the scope and terms of the relationship between the Union and Sesame governing such production.


XXII. TERM

The term ("Term") of this Agreement will be from July 1, 2007 through June 30, 2010.

If the foregoing accords with your understanding, please indicate your acceptance of and agreement with the same by signing the space provided below.


ACCEPTED AND AGREED:

SESAME WORKSHOP

By: 

ACCEPTED AND AGREED:

LOCAL UNITED SCENIC ARTISTS 829
INTERNATIONAL ALLIANCE OF THEATRICAL EMPLOYEES

By: 

SCHEDULE A

WORKING HOURS AND OVERTIME APPLICABLE TO SCENIC ARTISTS

I. Working Hours

- A. Any eight (8) hours between 6:00 a.m. and 6:00 p.m. shall constitute a regular working day which shall include a non-deductible one (1) hour meal period. Starting times may not be subject to arbitrary changes back and forth. The regular workweek shall be from Monday to Friday, inclusive. All work performed in excess of forty (40) single hours during the current week or before 6:00 a.m. (or other regular starting time) on weekdays, or in excess of eight (8) hours in any day, or at any time on Saturday, Sunday, or Holiday shall be deemed overtime and be paid at the rate of time and one-half.
- B. There shall be a paid meal period of one (1) hour for all employees. Each meal period shall begin no sooner than the end of the third hour after the commencement of the work day and no later than the end of the sixth hour after the commencement of the work day or after the end of the employee's preceding meal period, as the case may be. In the event that this paragraph is violated, the employees shall be paid for all invaded time worked at the rate one and one-half (1 ½) his/her regular hourly rate for the duration of the violation, rounded off to the nearest quarter hour, up to a limit of one (1) hour. If an employee is required to be on the job after 7:00 p.m., he/she shall receive a supper break of at least 30 minutes to begin no later than 7:00 p.m.

II. Overtime

- A. Overtime shall commence at the end of the straight hour day. The first two (2) hours (the ninth (9th) and (10th) hours) of overtime, shall be paid at one-half times of the "minimum daily scale rates". All overtime after the tenth (10th) hour shall be computed at double time rates.
- B. If an employee is on the job for fifteen (15) consecutive hours, (which includes all meal periods and breaks) triple time shall be paid for each hour or any part thereafter with a minimum break of eight (8) hours before starting a new day and before his/her pay returns to straight time pay. If such an hour (8) hour break necessitated a member coming in at a later hour than the usual starting time of crew call, his starting time shall be the starting time of the crew call.