

ARTICLE 12.

PENSION, HEALTH AND WELFARE -- TRUST FUNDS AND DELINQUENCIES

SECTION A. TRUST AGREEMENTS

The Employer and the Guild agree to accept, assume and be bound by the separate Trust Agreements establishing the "Directors Guild of America–Producer Pension Plan" and "Directors Guild–Producer Health and Welfare Plan," and all modifications, alterations and amendments made thereto. The Employer shall, upon request, be furnished a copy of said Trust Agreements by the Plan Offices.

SECTION B. TRUSTEES

The Employer irrevocably designates and appoints the Alliance of Motion Picture & Television Producers as its attorneys in fact for the selection, removal and substitution of Producer Plan Trustees of such Trusts. Producer Plan Trustees shall be appointed by the Alliance of Motion Picture & Television Producers, by the Network Group and the Association of Independent Commercial Producers, or other employer associations which are entitled to appoint Producer Plan Trustees under the terms of the Trust Agreements.

SECTION C. DELINQUENT CONTRIBUTIONS

The Employer specifically agrees to be bound by the provisions of the Trust Agreements referred to in this Section A., relating to the payment of attorneys' fees, court costs, interest, liquidated damages and auditing costs in connection with delinquent contributions and the collection of delinquent contributions to the Plans, as they now exist and as they may be modified in the future.

SECTION D. ARBITRATION

The Trustees of the Plans are not parties to this Agreement and are not obligated by this Agreement to arbitrate any of their rights under this Agreement; provided, however, the Guild retains the right to enforce the provisions of this Article 12.

SECTION E. LOAN-OUTS

The following shall apply with respect to the payment of pension and health and welfare contributions due when a Company borrows the services of an Employee from a domestic loan-out company, as defined herein, and such Employee renders services covered by this Agreement:

1. In its agreement with the loan-out company, the Company shall separately state the compensation applicable to services covered by this BA. If other services are involved and a dispute exists over the amount to be allocated to the covered services, the Employee's "customary salary" shall be given substantial consideration in resolving the dispute.
2. Contributions shall be based on the amount the Company pays the loan-out company for lending the Employee's covered services.
3. Agreements with loan-out companies for covered services of the loaned-out Employee shall provide that Company shall make pension and health and welfare contributions directly to the Plans on behalf of the loan-out company.

SECTION F. CLAIMS PERIODS

1. If, under any Agreement prior to the 1990 Agreement, a loan-out company, as defined therein, has failed to make the applicable pension and health and welfare contributions on behalf of the loaned-out Employee, Company shall not be liable for such contributions if the loan-out company failed to pay such contributions more than six (6) years prior to the date of commencement of the audit that gives rise to the claim (whether or not it is of the loan-out company's records or the borrowing Company's records).

The date of commencement of the audit shall be deemed to be the date of actual audit entry, but in no event later than ninety (90) days after the date of the Plans' notice of intent to audit. In the event that the Plan(s) conclude, based on an audit of the loan-out company's records, that there exists a claim for unpaid contributions, the Plan(s) or the Guild must give the borrowing Company written notification of any such claim for unpaid contributions at the time that the loan-out company is notified of such claim. In no event will the borrowing Company be liable for any such unpaid contributions which were due from the loan-out company more than six (6) years prior to the date that the borrowing Company was notified of the loan-out company's failure to make the contribution.

2. Other claims against Company for pension and health and welfare contributions must be brought within four (4) years from the date such contributions were due to the Health and Welfare and Pension Plans.
3. In the event that the auditors find a consistent pattern of delinquencies with respect to a particular Employee or loan-out company employed on a particular project, then the six (6) year or four (4) year periods referred to in subparagraphs 1. and 2. above shall be extended to allow for the assertion of additional claims with respect to the employment of such Employee or loan-out company on such project.
4. Any claim for contributions not brought within the six (6) year or four (4) year periods referred to in subparagraphs 1. or 2. above, or within the extended period referred to in subparagraph 3. above, shall be barred.
5. The time limits in this Article 12, Section F. shall be tolled to the same extent as statutes of limitations under California law.