



**WRITERS
GUILD OF
AMERICA, WEST**



**WRITERS
GUILD
of AMERICA
EAST**

WGA LOW BUDGET AGREEMENT

_____ (“Company”) has read the Writers Guild of America (“WGA”) Low Budget Agreement (the “Low Budget Agreement”). Company desires to produce _____ (the “Picture”) under the Low Budget Agreement.

Enclosed are the following documents:

- _____ Screenplay (required only for spec sales)
- _____ Detailed budget (required only for spec sales)
- _____ Writer’s Request for Application of the Low Budget Agreement
- _____ All Writer agreements (_____ Please indicate by initialing here if the Low Budget Agreement will be used as the sole Writer’s agreement on this project.)

Company certifies that the Picture is a feature-length motion picture with an initial theatrical release, and the total budget of the Picture is not more than One Million Two Hundred Thousand Dollars (\$1,200,000).

Company certifies that all documents pertaining to the Low Budget Agreement and representations made in connection with this application are true and correct. Any false or misleading statements or documents presented to the WGA shall constitute an immediate and continuing breach which will automatically obligate Company to pay Writer(s) as required by the WGA Minimum Basic Agreement (“MBA”). Failure to make such payments will cause the WGA to take legal action to enforce such obligations, including but not limited to the exercise of its rights as a secured creditor.

Company understands that the WGA is unable to process this application without all of the requested documents. Company further understands that the WGA may refuse this application.

By: _____
Signature of Company Representative

Date: _____

Printed Name



**WGA THEATRICAL LOW BUDGET AGREEMENT
FOR FILMS BUDGETED AT \$1,200,000 AND BELOW**

Writers Guild of America, West, Inc. on behalf of itself and Writers Guild of America, East, Inc. (“WGA”) agrees to modify, to the extent hereinafter set forth, certain provisions of the WGA 2017 Minimum Basic Agreement (“MBA”) with respect to the employment on or purchase of the theatrical motion picture screenplay currently titled _____ (“Screenplay”) written by _____ (“Writer”). _____ (“Company”) represents and warrants that the proposed theatrical motion picture based on the Screenplay (“Picture”) meets the definition of a low budget picture in Section 2 below. Further, Company agrees that the Writer is or shall be deemed a “professional writer” for all purposes under the MBA.

Company further acknowledges receipt of a copy of the 2017 MBA. To the extent the provisions herein are inconsistent with the MBA, the provisions of this Low Budget Agreement (“Agreement”) shall apply.

THE FOLLOWING IS AGREED BETWEEN THE WGA AND COMPANY:

1. Acceptance as Signatory Producer

Upon Company’s execution of this Agreement and all MBA signatory documents, assumption agreements, and related documents required by the WGA, and upon acceptance thereof by the WGA, Company is signatory to the MBA and to this Agreement, which modifies the 2017 MBA as herein provided.

2. Definition of Low Budget Picture/Qualification to Produce under the Low Budget Agreement

Company represents and warrants to the WGA that the Company will exercise its best efforts to produce the Picture as a feature-length theatrical motion picture (live action and/or animated; over 40 minutes in length) with a total production cost of not more than one million two hundred thousand dollars (\$1,200,000).

The “total production cost” is defined as the total of all “above the line” and “below the line” costs involved in pre-production, production and post-production, including any deferred guaranteed compensation, all other direct and indirect costs and out-of-pocket overhead costs actually incurred in connection with making the motion picture. The only excluded costs are interest payments and contingent payments to talent; and costs incurred on account of *force majeure* events or reshooting caused by technical problems outside the Company’s control.

If Company purchases a spec script from the Writer, Company represents that filming is imminent (i.e., no more than one (1) year after the purchase of the spec script).

If the Company employs the Writer to write literary material, Company shall pay contributions to the Producer-Writers Guild of America Pension Plan Writers' Guild-Industry Health Fund in accordance with MBA Article 17.

Prior to WGA's acceptance of this Agreement, Company is required to submit to the WGA the required checklist documents and any other relevant information required by the WGA in order to verify Company's representations regarding the Picture. Company is also required to submit updated budgets to the WGA upon their availability.

3. Screenplay Compensation

The Screenplay Compensation is subject to negotiation between Company and the Writer, provided, however, that it shall be no less than the amounts described below for the budget category and type of literary material. The WGA encourages writers and their representatives to negotiate overscale deals and to defer as little of the Writer's compensation as possible.

The Company and the Writer shall designate their selection by initialing in the ONE box below which reflects the agreed-upon minimum compensation terms for the appropriate budget category:

BUDGET UNDER \$200,000

<p>Original work-for-hire screenplay (first and second drafts) excluding treatment OR purchase of original spec script</p>	<ul style="list-style-type: none"> 25% of the minimum set forth in the WGA Schedule of Minimums for an Original Screenplay, Excluding Treatment (for period 5/2/17 – 5/1/18 said minimum is \$48,819; 25% of said minimum is \$12,205) At least \$5,489 upon commencement of services with remainder due upon delivery For spec sales, entire \$12,205 due upon sale No \$5,000 Script Publication Fee¹ required <p>Initial Here: _____ (Writer) _____ (Company)</p>	<ul style="list-style-type: none"> May defer up to 100% of minimum (\$48,819) on terms equal to or more favorable than those for the person who performs directing services May defer 100% of \$5,000 Script Publication Fee on terms equal to or more favorable than those for the person who performs directing services <p>Initial Here: _____ (Writer) _____ (Company)</p>
<p>Original work-for-hire screenplay (first and second drafts) including treatment</p>	<ul style="list-style-type: none"> 25% of the minimum set forth in the WGA Schedule of Minimums for an Original Screenplay, Including Treatment (for period 5/2/17 – 5/1/18 said minimum is \$72,662; 25% of said minimum is \$18,166) At least \$5,489 upon commencement of services with remainder due upon delivery For spec sales, entire \$18,166 due upon sale No \$5,000 Script Publication Fee required <p>Initial Here: _____ (Writer) _____ (Company)</p>	<ul style="list-style-type: none"> May defer up to 100% of minimum (\$72,662) on terms equal to or more favorable than those for the person who performs directing services May defer 100% of \$5,000 Script Publication Fee on terms equal to or more favorable than those for the person who performs directing services <p>Initial Here: _____ (Writer) _____ (Company)</p>

¹ For explanation of Script Publication Fee, please see Section 4 of this Agreement.

BUDGET UNDER \$200,000 (continued)

<p>Non-original work-for-hire screenplay (first and second drafts) excluding treatment OR purchase of non-original spec script</p>	<ul style="list-style-type: none"> • 25% of the minimum set forth in the WGA Schedule of Minimums for a Non-Original Screenplay, Excluding Treatment (for period 5/2/17 – 5/1/18 said minimum is \$39,729; 25% of said minimum is \$9,932) • At least \$5,489 upon commencement of services with remainder due upon delivery • For spec sales, entire \$9,932 due upon sale • No \$5,000 Script Publication Fee required <p>Initial Here: _____ (Writer) _____ (Company)</p>	<ul style="list-style-type: none"> • May defer up to 100% of minimum (\$39,729) on terms equal to or more favorable than those for the person who performs directing services • May defer 100% of \$5,000 Script Publication Fee on terms equal to or more favorable than those for the person who performs directing services <p>Initial Here: _____ (Writer) _____ (Company)</p>
<p>Non-original work-for-hire screenplay (first and second drafts) including treatment</p>	<ul style="list-style-type: none"> • 25% of the minimum set forth in the WGA Schedule of Minimums for a Non-Original Screenplay, Including Treatment (for period 5/2/17 – 5/1/18 said minimum is \$63,581; 25% of said minimum is \$15,895) • At least \$5,489 upon commencement of services with remainder due upon delivery • For spec sales, entire \$15,895 due upon sale • No \$5,000 Script Publication Fee required <p>Initial Here: _____ (Writer) _____ (Company)</p>	<ul style="list-style-type: none"> • May defer up to 100% of minimum (\$63,581) on terms equal to or more favorable than those for the person who performs directing services • May defer 100% of \$5,000 Script Publication Fee on terms equal to or more favorable than those for the person who performs directing services <p>Initial Here: _____ (Writer) _____ (Company)</p>

BUDGET \$200,000 - \$499,999

<p>Original work-for-hire screenplay (first and second drafts) excluding treatment OR purchase of original spec script</p>	<ul style="list-style-type: none"> • 50% of the minimum set forth in the WGA Schedule of Minimums for an Original Screenplay, Excluding Treatment (for period 5/2/17 – 5/1/18 said minimum is \$48,819; 50% of said minimum is \$24,410) • At least \$5,489 upon commencement of services with remainder due upon delivery • For spec sales, entire \$24,410 due upon sale • No \$5,000 Script Publication Fee² required <p>Initial Here: _____ (Writer) _____ (Company)</p>	<ul style="list-style-type: none"> • May defer up to 100% of minimum (\$48,819) on terms equal to or more favorable than those for the person who performs directing services • May defer 100% of \$5,000 Script Publication Fee on terms equal to or more favorable than those for the person who performs directing services <p>Initial Here: _____ (Writer) _____ (Company)</p>
<p>Original work-for-hire screenplay (first and second drafts) including treatment</p>	<ul style="list-style-type: none"> • 50% of the minimum set forth in the WGA Schedule of Minimums for an Original Screenplay, Including Treatment (for period 5/2/17 – 5/1/18 said minimum is \$72,662; 50% of said minimum is \$36,331) • At least \$5,489 upon commencement of services with remainder due upon delivery • For spec sales, entire \$36,331 due upon sale • No \$5,000 Script Publication Fee required <p>Initial Here: _____ (Writer) _____ (Company)</p>	<ul style="list-style-type: none"> • May defer up to 100% of minimum (\$72,662) on terms equal to or more favorable than those for the person who performs directing services • May defer 100% of a \$5,000 Script Publication Fee on terms up equal to or more favorable than the person who performs directing services <p>Initial Here: _____ (Writer) _____ (Company)</p>

² For explanation of Script Publication Fee, please see Section 4 of this Agreement.

BUDGET \$200,000 - \$499,999 (continued)

<p>Non-original work-for-hire screenplay (first and second drafts) excluding treatment OR purchase of non-original spec script</p>	<ul style="list-style-type: none"> • 50% of the minimum set forth in the WGA Schedule of Minimums for a Non-Original Screenplay, Excluding Treatment (for period 5/2/17 – 5/1/18 said minimum is \$39,729; 50% of said minimum is \$19,865) • At least \$5,489 upon commencement of services with remainder due upon delivery • For spec sales, entire \$19,865 due upon sale • No \$5,000 Script Publication Fee required <p>Initial Here: _____ (Writer) _____ (Company)</p>	<ul style="list-style-type: none"> • May defer up to 100% of minimum (\$39,729) on terms equal to or more favorable than those for the person who performs directing services • May defer up to 100% of a \$5,000 Script Publication Fee on terms equal to or more favorable than those for the person who performs directing services <p>Initial Here: _____ (Writer) _____ (Company)</p>
<p>Non-original work-for-hire screenplay (first and second drafts), including treatment:</p>	<ul style="list-style-type: none"> • 50% of the minimum set forth in the WGA Schedule of Minimums for a Non-Original Screenplay, Including Treatment (for period 5/2/17 – 5/1/18 said minimum is \$63,581; 50% of said minimum is \$31,791) • At least \$5,489 upon commencement of services with remainder due upon delivery • For spec sales, entire \$31,791 due upon sale • No \$5,000 Script Publication Fee required <p>Initial Here: _____ (Writer) _____ (Company)</p>	<ul style="list-style-type: none"> • May defer up to 100% of minimum (\$63,581) on terms equal to or more favorable than those for the person who performs directing services • May defer 100% of a \$5,000 Script Publication Fee on terms equal to or more favorable than those for the person who perform directing services <p>Initial Here: _____ (Writer) _____ (Company)</p>

BUDGET \$500,000 - \$1,200,000

<p>Original screenplay (first and second drafts) excluding treatment OR purchase of original spec script</p>	<p>Work for hire: \$48,819</p> <ul style="list-style-type: none"> • <u>Not</u> deferrable • Payment in accordance with MBA Article 13.A. • \$5,000 Script Publication Fee <u>not</u> deferrable <p>Initial Here: _____ (Writer) _____ (Company)</p>	<p>Purchase of spec script: \$48,819</p> <ul style="list-style-type: none"> • \$10,000 due upon commencement of principal photography • May defer payment of remaining \$38,819 on terms equal to or more favorable than those for the person who performs directing services • \$5,000 Script Publication Fee <u>not</u> deferrable <p>Initial Here: _____ (Writer) _____ (Company)</p>
<p>Original work-for-hire screenplay (first and second drafts) including treatment (no spec sale)</p>	<p>Work for hire: \$72,662</p> <ul style="list-style-type: none"> • <u>Not</u> deferrable • Payment in accordance with MBA Article 13.A. • \$5,000 Script Publication Fee <u>not</u> deferrable <p>Initial Here: _____ (Writer) _____ (Company)</p>	<p>Purchase of spec script and treatment:</p> <p>N/A</p>
<p>Non-Original screenplay (first and second drafts) excluding treatment OR purchase of non-original spec script</p>	<p>Work for hire: \$39,729</p> <ul style="list-style-type: none"> • <u>Not</u> deferrable • Payment in accordance with MBA Article 13.A. • \$5,000 Script Publication Fee <u>not</u> deferrable <p>Initial Here: _____ (Writer) _____ (Company)</p>	<p>Purchase of spec script: \$39,729</p> <ul style="list-style-type: none"> • \$10,000 due upon commencement of principal photography • May defer payment of remaining \$29,729 on terms equal to or more favorable than those for the person who performs directing services • \$5,000 Script Publication Fee <u>not</u> deferrable <p>Initial Here: _____ (Writer) _____ (Company)</p>

BUDGET \$500,000 - \$1,200,000 (continued)

<p>Non-Original work-for-hire screenplay (1st and 2nd drafts) including treatment (no spec sale)</p>	<p>Work for hire: \$63,581</p> <ul style="list-style-type: none"> • <u>Not</u> deferrable • Payment in accordance with MBA Article 13.A. • \$5,000 Script Publication Fee <u>not</u> deferrable <p>Initial Here: _____ (Writer) _____ (Company)</p>	<p>Purchase of spec script and treatment:</p> <p>N/A</p>
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Screenplay Compensation (continued)

In accordance with the options listed above, Company and the Writer have agreed that the TOTAL Screenplay Compensation is \$_____.

If a deferment is allowed and elected, the Company and the Writer have agreed to defer payment of \$_____ of the Screenplay Compensation owed to the Writer.

3.1 Rewrites on spec scripts

For spec sales under any budget category listed above, Company shall offer the first Writer the opportunity to perform the first rewrite. Compensation for the first rewrite is subject to negotiation between Company and the Writer, provided, however, that it shall be no less than MBA minimum. The Company and the Writer may also agree to defer partial or full payment for the first rewrite if performed by the Writer and on terms equal to or more favorable than those for the person who performs directing services. If a rewrite is performed, Company shall pay contributions to the Producer-Writers Guild of America Pension Plan Writers' Guild-Industry Health Fund on both the screenplay purchase price and the rewrite compensation in accordance with MBA Article 17.

The minimum compensation for a rewrite of a spec script written between May 2, 2017 and May 1, 2018 is \$23,841.

Company and the Writer have agreed to defer payment of \$_____ of the compensation for the first rewrite. If no rewrite is elected, please indicate "N/A."

Company will pay Writer for any additional writing services pursuant to the terms of the MBA then in effect. If Company fails to pay the Screenplay Compensation and/or rewrite compensation to the Writer when due, Company shall pay interest at the rate of 1.5% per month on all outstanding amounts until paid in full.

4. Script Publication Fee

Company shall have the right to publish the Screenplay on videodiscs or videocassettes. A one-time fee of five thousand dollars (\$5,000) in the aggregate shall be paid to the credited Writer(s) of the Picture as compensation for such publication right. The Script Publication Fee shall be due whether or not the Company chooses to exercise such right and whether or not the Company distributes the motion picture on videodisc or videocassette.

The Script Publication Fee shall be paid through the Guild's Residuals Department within thirty (30) days after the final determination of writing credit on the motion picture. The Script Publication Fee may not be prepaid nor may it be offset or credited against any other compensation. The payment of the Script Publication Fee and any exercise of this right on videodiscs or videocassettes shall not otherwise affect the Writer's publication rights, if any.

For films budgeted below five hundred thousand dollars (\$500,000), where the Company and Writer elect to defer the payment of the full applicable MBA minimum, and upon the Writer's request, the Publication Fee may be deferred in accordance with Section 3 of this Agreement. All requests for deferral may be indicated on the "Writer Request for Application of the WGA Low Budget Agreement" form submitted by the Writer to the WGA.

For films budgeted below two hundred thousand dollars (\$200,000), where the Company and Writer elect to pay 25% of the minimums specified in the WGA Schedule of Minimums, a Script Publication Fee is not required.

For films budgeted between two hundred thousand dollars (\$200,000) and four hundred ninety-nine thousand nine hundred ninety-nine dollars (\$499,999), where the Company and Writer elect to pay 50% of the minimums specified in the WGA Schedule of Minimums, a Script Publication Fee is not required.

5. Creative Rights

Company agrees that no writer other than the first Writer of the screenplay shall be engaged to perform writing services on the Picture unless such Writer approves in writing the hiring of a subsequent writer. The failure to adhere to this provision shall be deemed a material breach of this Agreement and shall subject Company to the payment of damages to the Writer and to the WGA.

In addition to the creative rights provisions contained in MBA Article 48, creative rights are subject to negotiation between Company and the Writer of the Picture. The Company agrees to the following creative rights (attach more sheets if necessary):

6. Credits

Credits shall be determined by the WGA in accordance with Theatrical Schedule A of the MBA. Company further agrees that the Writer shall receive equally prominent credits and parity with producers and directors in all written and on-screen advertising, publicity, marketing and promotion of the Picture.

7. Reversion of the Screenplay

If the Picture has not commenced principal photography within eighteen (18) months after the later of the sale of a spec script (where no services are to be rendered under employment) or delivery of the final step called for under the Writer's agreement, then all right, title and interest in the Screenplay and any revisions thereto shall automatically revert to the Writer, and Company shall have no further rights therein.

8. Initial Release in a Non-Theatrical Market

If the Picture is initially released or exhibited in another market before it receives a bona fide theatrical release in the United States, the Picture shall be deemed to be made for the market of its first exhibition — e.g., free television, pay television, basic cable, videocassette/videodisc or new media — for all purposes of the MBA. In that event, within seven (7) days of receipt of monies from the sale or license of the Picture but not later than the first exhibition date of the Picture, Company shall pay the difference, if any, between the amounts paid to the Writer under this Agreement and the applicable minimum under the MBA.

Notwithstanding the foregoing, if Company or its agents engage in best efforts to distribute the Picture in the domestic (U.S. and Canada) theatrical market and are unsuccessful, and if Company provides proof that a sale or license of the free or pay television rights, basic cable rights, video rights or new media rights was not made prior to the completion and delivery of the film in a form suitable for theatrical screening, and provided further that the Company furnishes documentation of such efforts to distribute the film in the theatrical market and other relevant documentation (including but not limited to the free or pay television, basic cable, video or new media license agreement) to the WGA, the Picture will not be reclassified as a free television, pay television, basic cable, made-for video, or new media film, but will remain classified as a theatrical film for all purposes of the MBA, as modified by this Agreement.

9. Additional Responsibilities of Company

A) Reports

Company shall maintain and submit to the WGA all requested reports and budget information, including distributor and exhibitor's statements.

B) Final Cost Report or Cost Reports

Upon completion of principal photography, Company shall submit to the WGA a detailed report of actual expenditures and any other relevant materials required by the WGA showing the actual cost of production.

If the actual production cost of the Picture exceeds the budget level originally indicated when applying to use the Low Budget Agreement, full payment of any sums necessary to bring each writer's payment in compliance with the minimum rates required by the MBA shall become due and payable within seven (7) days of the date the Company knows or should have known the budget of the Picture increased. The minimums are set forth in the WGA Schedule of Minimums.

10. Right to Audit

In addition to audit rights that exist under the MBA, the WGA and the Writer of the Picture have the right to audit the Company and to inspect and to copy records relating to the costs and revenues of the Picture in order to ensure compliance with the budget provisions of this Agreement. If an audit shows that additional monies are owed to the Writer, Company shall pay the full cost of the audit and pay all monies due plus interest at the rate of 1.5% per month from the date the unpaid sums were due.

11. General Provisions

A) Application of Agreement to Designated Picture Only

This Agreement applies to the above-entitled Picture only. The special provisions applicable to low budget theatrical motion pictures covered by this Agreement are experimental. If the WGA determines at any time that the continuance of this policy is not in the best interests of writers, the WGA may alter or discontinue the use of the Low Budget Agreement.

B) Minimum Terms

This Agreement contains the minimum terms and conditions of employment or purchase to which the Writer is entitled. Except for credits for screen authorship, the Writer and Company are free to negotiate and contract for more favorable terms and conditions of employment than the minimum terms provided in this Agreement or the MBA. Only the WGA has the right to waive any of the provisions of this Agreement or the MBA.

C) Entire Agreement

The MBA and this Agreement constitute the entire understanding between the WGA and Company, and neither can be altered or modified except by a written agreement between the parties. Upon execution, this Agreement supersedes any prior understandings and agreements whether oral or written.

D) Acknowledgement

One of the following forms of acknowledgement shall be incorporated in the credits of the Picture:

- "Special Thanks to the Writers Guild of America"; or
- The logo of the Writers Guild which executed the Agreement.

This Agreement terminates with the expiration of the 2017 MBA on May 1, 2020.

ACCEPTED AND AGREED:

**Writers Guild of America, West, Inc.
on behalf of itself and Writers Guild of
America, East, Inc.**

Date

Signature of Company Representative

Date

Printed Name of Company Representative



**WRITERS
GUILD OF
AMERICA, WEST**



**WRITERS
GUILD
of AMERICA
EAST**

**WRITER REQUEST FOR APPLICATION OF THE
WGA LOW BUDGET AGREEMENT**

Writer(s)

1. Name of Writer(s) _____
2. Address _____
3. Telephone number _____ Email _____
4. Fax number _____
5. WGA member? _____
6. Name, address and telephone number of additional writers on the project, if any

Each writer must fill out a separate Request for Application of the WGA Low Budget Agreement.

7. Agent's name and telephone number _____
8. Attorney's name and telephone number _____

Film Project

1. Name of Film Project _____
2. Any previous names for the same film project? _____
3. Projected budget of the film _____
4. Source of financing, if known: _____
5. Approximate shoot dates, if known: _____

Production Company

1. Name of Company _____
2. Primary Contact(s) at the Company/Title(s) _____
3. Company owner(s) _____
4. Company address _____
5. Company telephone number _____
6. Company fax number _____
7. Is the Company signatory to the WGA Minimum Basic Agreement? _____
8. Do you have an ownership interest in the Company? ____ If so, what percentage of ownership do you have? _____
9. Do you serve in a managerial capacity with the Company? ____
10. Is there a bona fide agreement for financing, production and/or distribution with a third party signatory producing Company? (If so, please attach)

The Deal

1. Is there a Writer's Agreement? ____ (If so, please attach)
2. If not, are you negotiating a Writer's Agreement at this time? ____
(If so, please describe on a separate sheet.)
3. Are you requesting a deferral of the Publication Fee (optional for films budgeted below \$500,000)?
Yes _____ or No _____
4. Are you waiving the Publication Fee (optional for films budgeted below \$500,000)?
Yes _____ or No _____

More About You

Are you also a Producer _____ Director _____ and/or Actor/Performer _____ on the project?

Writer's Signature

Date