

ARTICLE 2. RECOGNITION AND UNION SECURITY

A. Recognition

The Producer recognizes the Union as the exclusive collective bargaining agent for all employee classifications covered by this Agreement employed to work on covered productions directly produced by the Producer. This Agreement shall also cover work on otherwise covered productions directly produced by a subsidiary of the Producer engaged in motion picture production, provided that the Producer has in excess of a fifty percent (50%) financial interest in the subsidiary.

This Agreement shall be applicable to covered work only when the Producer is the employer of employees covered by this Agreement; negative pick-up transactions, distribution transactions and production/ distribution transactions (as those terms are commonly understood in the industry) which are bona fide, are not covered.

B. Union Security

The Producer will employ, and maintain in its employ, only such persons as are members of the Union in good standing, or such persons as shall make application for membership in the Union, not later than the thirtieth day following either the date of hiring or the date of execution of this Agreement, whichever is later; provided, however, that nothing in this subparagraph B. shall be construed to require the Producer to cease employing or refrain from employing any person if the Producer has reasonable grounds for believing that (1) membership in the Union was not available to him/her on the same terms and conditions generally applicable to other members, or (2) membership in the Union was denied or terminated for reasons other than his/her failure to tender periodic dues and initiation fees uniformly required by the Union as a condition of acquiring or retaining membership therein.