



Memorandum of Understanding

This memorandum of understanding (the “Agreement”) is effective as of _____ by and between THE WEDGWOOD CIRCLE INSTITUTE, a Virginia nonprofit corporation with offices at 5272 Lyngate Court, Suite 200, Burke, VA, 22015 (“Wedgwood”), and _____, (the “Writer”), an individual having an address of _____.

1. Purpose

- a. Wedgwood is a charitable organization that promotes cultural renewal through art and entertainment for the public good, in part, by supporting artists and writers in their calling and professional development. The purpose of this Agreement is to carry out Wedgwood’s charitable purposes by providing mentoring support to emerging writers to develop scripts (“the Project”).

2. Wedgwood’s Role

- a. The Writer agrees that [he]/[she] has been selected by Wedgwood on a determination of financial need and ability using objective criteria and understand that Wedgwood will provide the Writer with access to several well-established writing experts to allow [him]/[her] to spend an agreed-upon amount of time each month, free of charge to the Writer, receiving writing mentoring and feedback on scripts to help hone the emerging Writer’s skills. The Writer acknowledges that Wedgwood is not entering into this Agreement for purely commercial benefit, but to advance its charitable mission. The Writer acknowledges that the Writer would not be able to obtain financial assistance on similar terms from a commercial entity.

3. Narrative Description

- a. The Writer shall provide Wedgwood with a narrative report (one to two paragraphs in length) describing the Writer’s use of the writing expert(s) at the completion of each script.
- b. The Writer shall furnish to Wedgwood any other reports or information respecting the operations, activities and financial condition of the Writer as Wedgwood may from time to time reasonably request, including, without limitation, any reports or information that Wedgwood may request which might be required by any governmental agency in order for Wedgwood to establish the fact that it has observed all requirements of the law with respect to this Agreement and its status as a tax-exempt organization qualified under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

4. Ownership of Artistic Work

- a. With respect to all artistic work created through this project, Wedgwood shall have no claim on any copyright or right to use and all work shall be the sole property of its lawful creator(s).

5. Repayment

- a. In exchange for the benefits the Writer receives from being a part of this Project, the Writer agrees to repay Wedgwood for the mentoring the Writer has received with a

portion of the Writer's income earned from writing, less expenses ("Net Writing Income" or "NWI"); beginning on the date this agreement is signed (the "Term").

- b. "Net Writing Income" (NWI) will consist of:
 - b.i. Any script payments, story payments, payments for treatments or outlines, staff-writing or producing income (that is "writer employed in additional capacity," according to the Writer's Guild of America contract) or any other monies earned as a writer, creative producer, or consultant for TV, film, internet, video or stage projects for which the Writer is paid any amount over \$1000.00, pre-tax and pre-commission in any given year.
 - b.ii. In addition to script sales and staff writing work, NWI will also include TV, film, or internet residuals and other payments connected with the Writer's original contract that are paid within two years of the project's initial air or release date.
 - b.iii. Deductible expenses when computing NWI include agent, manager and lawyer commissions, but do not include taxes, union dues, accounting fees, or other expenses.
- c. The Writer will repay Wedgwood for money earned during the calendar year, or part thereof dependent on Term, based on the following scale:
 - c.i. 3% of the first \$100,000 of NWI per year.
 - c.ii. 5% of the NWI above \$100,000 and below \$200,000 per year.
 - c.iii. 7% of the NWI above \$200,000 per year.
 - c.iv. Annual payments will be capped at \$7,500 per year (though writers are free to pay back more, which will be counted against the total repayment due).
- d. The Writer will repay to Wedgwood up until they have paid an amount equivalent to the value of writing one network TV 60-minute script (value as defined by the Writer's Guild of America minimum basic agreement) at the date the Writer signs this agreement. (As an example, this value is \$35,568 in November of 2013.) Once this figure is reached, the writer's obligation to the fund will be considered paid in full.
- e. If a writer has paid into the fund at least once a year for a total of (consecutive or non-consecutive) ten years, the writer's obligation to pay Wedgwood will be considered fulfilled and discharged regardless of the total paid.
- f. The Writer will report [his]/[her] Net Writing Income to Wedgwood every 6 months and will have thirty (30) days from the end of that period to make payments to Wedgwood based on [his]/[her] repayment obligation as set forth in this Agreement. The Writer will, on written request, provide Wedgwood with necessary documentation to verify the Writer's NWI.
- g. The Writer will not be required to make payments until after income has been received from his/her employer. In the event that an employer does not pay a writer for contracted work, no payments to Wedgwood will be required.

This Agreement is agreed upon by both parties as set forth below.



WEDGWOOD
C I R C L E
I N S T I T U T E

Name (“Writer”)

Name (“Wedgwood”)

Date

Date