

APPENDIX "D"

**DRAFT 2011-05-18
PRODUCER/DIRECTOR AGREEMENT**

AGREEMENT, made as of this 18th day of May, 2011 by and between CHICKEN THE MOVIE, LLC. (the "Company"), located at 471 West Pacific Highway, Telluride, CO 81435/█. BOX # _____, Telluride, CO 81435, and MERCURY FILMS INC. ("Contractor"), located at 645A Dupont Street, Toronto Ontario M6G 1Z4 Canada, whereby Contractor shall provide Contractor services and furnish the services of Nicholas de Pencier ("de Pencier"), (Contractor's services hereunder may be referred to as the "Services"). For the purposes of reference, the term "Contractor" shall include "Contractor" and "Service Provider" unless stated otherwise below.

1. **Services of Contractor.** Contractor agrees to provide the services of Producer and Co-Director with regard to the production and post-production of the documentary motion picture presently entitled "CHICKEN OUT OF THE JUNGLE INTO THE FRYING PAN" (the "Picture"), pursuant to the terms hereof. Subject to the terms hereof, Contractor shall render all services as are customarily rendered by a producer and a director of first-class, feature-length theatrical documentary motion pictures in the motion picture industry in connection with the production of the Picture (collectively, the "Services"), which Services will include, without limitation, the engagement and supervision of all crew, facilities, equipment and materials. Contractor shall provide the Services in accordance with an approved budget ("Approved Budget"), an approved production schedule ("Approved Production Schedule" and an approved cash flow schedule ("Approved Cash Flow Schedule") (with approvals from either party not to be unreasonably withheld or delayed), time being of the essence, and including, without limitation, supervision of all crew, facilities, equipment and materials. Contractor shall provide the Services in accordance with the Approved Production Schedule, time being of the essence, as well as the Approved Budget and the Approved Cash Flow Schedule. Contractor's services shall be scheduled to occur on a part-time basis commencing April 1, 2011, and on an exclusive basis commencing September 1, 2011 through the Production of the Picture as referenced herein (the "Term").

The terms of this Agreement shall not be subject to the jurisdiction of or governed by the requirements of any collective bargaining agreement of any union or guild.

2. **Conditions Precedent.** Company's obligations hereunder shall be conditioned upon and subject to (the "Conditions Precedent") the signature of this Agreement by both parties hereto.

3. **[Intentionally deleted]**

4. **Company Approval Rights** Company shall have all budgetary, financial and creative control with respect to the Picture, including without limitation approval of the following:

- (a) Budgets, cash flows, and shooting schedules;
- (b) Principal members of the cast;

- (c) All local crew including, without limitation, the production accountant; and
- (d) All locations, facilities, laboratories and equipment to be used by the Contractor in connection with the production of the Picture

5. **Contractor Obligations** Subject to the terms hereof, Contractor agrees to produce the Picture in conformity with the terms of this Agreement. Without limiting the foregoing, Contractor agrees to furnish:

(a) All material and elements acquired by or on behalf of Contractor contained in the Picture, and all rights therein and thereto sufficient for distribution in all media and territories to enable Company to distribute, subdistribute, market, vend, exploit, advertise, publicize and otherwise deal in and with the Picture and the rights therefor, in perpetuity, throughout the universe, by any means and in any manner and media, whether now or hereafter known or devised, without any limitation or restrictions;

(b) Members of the cast such as a narrator, extras and day players, if any, and the local key crew, but Company shall be responsible for payment in such connections;

(c) All other production and post-production materials, services, facilities, equipment, personnel and other elements necessary to produce and finish the Picture), including, without limitation, the following: all necessary local motion picture equipment and supplies, all below-the-line production personnel, production location scouting and surveys, production offices, sound stages and studio facilities, production vehicles and automobiles, travel and living accommodations, if any, for cast, crew and other production personnel, production accounting, post production services and facilities and recording facilities. It is hereby acknowledged that Contractor shall cooperate and assist Company with development of the Picture as and when reasonably requested by Company. Company acknowledges Contractor's pre-existing commitment on another film requiring Contractor's Services to be on a second-call basis through August 31, 2011.

(d) The direct costs of the foregoing specified in (a), (b), (c) above, and each item thereof, shall be included in the approved budget (the "Budget") which is estimated to be approximately Two Million Dollars (\$2,000,000) subject to production financing, and the Cost Report(s), as such term is defined below in Section 5(h), of the Picture as items of production cost. The Budget shall also include all payments to Contractor's personnel and all taxes and fees to be paid by Contractor or associated with Contractor's services. All references to dollars shall refer to U.S. dollars.

(e) Unless otherwise supplied by Company, all contracts with respect to the Picture shall be supplied by Contractor and if not, then in customary form used in the Motion Picture industry, all of which have been either reviewed or prepared by legal counsel, and Contractor's obligations as to credit and other similar matters shall not be inconsistent with Contractor's warranties hereunder. Such contracts shall be fully assignable to Company and shall otherwise comply in all respects with the requirements of this Agreement.

(f) Contractor agrees that Company shall have, and is hereby granted, the non-exclusive right for and on behalf of Contractor, as Contractor's attorney-in-fact, to take all steps and exercise all rights and remedies under Contractor's contracts relating to the Picture as may be deemed necessary and proper by Company to enforce and protect the rights and interest of Contractor and/or Company, including, without limitation, the right in its own name, or in the joint names of the Contractor and

Company, to suspend the services and compensation of a Service Provider and other talent and personnel if good cause exists under such contracts (after consultation with Contractor), and the right to bring any and all actions at law or in equity which Company deems necessary for the purpose of establishing, maintaining, enforcing and/or protecting Company's rights and interests in and to the Picture and/or the products of Contractor's services hereunder and similarly to defend any action or proceeding which may be brought against Company, its licensees or assignees, with respect to the Picture or the products of Contractor's services and Company shall cooperate with and give assistance in connection therewith. All costs and expenses, including reasonable attorneys' fees, incurred by Company under this paragraph shall be included in the Budget. Contractor acknowledges that the rights of Company under this subparagraph constitute a power coupled with an interest and are irrevocable.

(g) Contractor shall not, without Company's prior written consent, employ any person or acquire any material or rights in connection with the Picture in whole or in part for a percentage of, or other participating interest in, the gross receipts, net receipts or other proceeds of the Picture. As to any such agreement to which Company may give its written consent, such participation shall not affect or alter the rights of Company.

(h) Contractor and Company shall review mutually approve cost reports not less than once a month ("Cost Reports") in connection with the Picture during pre-production, production and post-production of the Picture. Company shall have complete access to the financial records relating to the production. If, in Company's determination, the production accountant is not properly doing his job, Company shall have the right to replace such production accountant.

(i) Contractor has set up a primary production bank account in Vermont and a subsidiary production account in Canada may be set up in the name of the Picture at banks which shall be mutually approved by the parties (with such approvals not to be unreasonably withheld) (collectively, "Production Account") and shall designate Nicholas de Pencier and Kermit Woods or Matt MacDonald as signatories to the account and on all production checks subject to the terms stated herein in which the signatures of Nicholas de Pencier and Kermit Woods or Matt MacDonald shall be required to make withdraw funds in excess of \$ _____ from the Production Account. Company shall deposit such portions of the production financing into the Production Account as are designated in the Budget. All monies to be advanced hereunder shall be spent by Contractor solely in accordance with the Budget. In the event any monies remain in the Production Account upon Delivery of the Picture as provided herein, then any and all such sums shall be delivered to Company at such time. Any expenditure which may be incurred by Contractor shall require Company's written approval (with e-mail being deemed as acceptable).

(j) Upon Delivery, Contractor shall deliver to Company, in addition to those obligations as set forth in Paragraph 14 hereof, any and all assets, property and/or materials created or purchased by Contractor in connection with the Picture. Company shall have the right to conduct an audit of Contractor's financial records relating to the production of the Picture, if Company so elects, the audit shall occur within thirty (30) days of Delivery.

(k) **[Intentionally deleted.]**

(l) Contractor's services shall be rendered in accordance with all applicable collective bargaining agreements and laws, statutes, ordinances, rules, regulations and requirements of all governmental agencies and regulatory bodies having jurisdiction with respect of the production thereof. **[issue regarding language referencing DGA or DGC for rates for de Pencier's Director**

services here-perhaps the parties can negotiate a director's fee through good faith negotiation rather than using the DGC or DGA since the rates are problematical to apply as per our discussion.]

(m) Contractor acknowledges the importance of documentation concerning the following: trademark releases and other releases for pre-existing intellectual property appearing in the Picture. In no event shall the Picture as delivered include copyrighted or trademarked products or items without Contractor first obtaining fully signed licenses and releases from the proper parties (as and where necessary) or Company's prior written consent in each instance. Without limitation, Contractor shall be responsible to deliver all paperwork, releases and certificates, as Company shall reasonably require, from any Contractor personnel and crew (whether employees, agents or contractors) who worked on or in connection with the Picture, which includes, without limitation, key crew members, editors and post-production supervisors, as applicable and all location and facilities agreements. Contractor shall promptly provide a list of all who provided services and the services they rendered, together with required paperwork. Contractor shall cooperate with Company, on Company's request, to secure documentation in any connection with the Picture, as Company reasonably requires.

(n) Contractor agrees that the Picture shall be produced in accordance with the following specifications (and such other specifications as Company may hereafter designate in writing): the Picture shall be a feature length English language live action sound motion picture shot in color on high-definition format, shall have a running time including main and end titles of no less than seventy (70) minutes nor more than one hundred and twenty (120) minutes and shall qualify for an MPAA rating not more restrictive than "R." Company, in its sole discretion, shall determine the final length/version of the Picture.

6. **Company Obligations** The Company shall, in accordance with the Budget, furnish Contractor with such monies as may be required for the producing services of Contractor in connection with the Picture. Any overage shall require the prior written approval of Company. During production of the Picture, Contractor's Services shall be on an exclusive basis after September 1, 2011 and during post-production on a non-exclusive but in-person, first priority, no material interference basis. In the event that any outside services of Contractor materially interfere with any of Company's material obligations hereunder, then in addition to any other equitable or legal rights or remedies that Company may have (all of which hereby are reserved and are cumulative), Company may extend and/or suspend this Agreement and Contractor's services hereunder by an amount of time equal to the duration of such interference. Company acknowledges that Contractor shall not be held responsible for any disbursements from the Production Bank Account(s) not authorized by Contractor and in the event that any such disbursements compromise the production or delivery of the film, Contractor will not be liable or responsible for any obligations of Company.

7. **Compensation.** Subject to performance of all of Contractor's and Service Provider's material obligations and agreements and for its services hereunder and other good and valuable consideration, the sufficiency of which the parties hereby acknowledge that:

(a) Contractor shall be paid a development fee of approved fees started in Development Budget dated April 23, 2011 and appended to this Agreement of Sixteen Thousand Seven Hundred and Eighty Six Dollars (\$16,786.00) payable as follows:

1. 20% on signing of this agreement
2. 20% on delivery by Contractor of a first draft Production Budget
3. 20% on delivery by Contractor of a locked Production Budget

4. 40% on completion of Production Financing

Thereafter, Contractor shall be paid fees as stated in the Approved Budget signed by the parties for Service Provider's services ("Production Fee") which shall be negotiated in good faith and approved by the parties.

(b) Contractor shall be entitled to receive contingent compensation equal to a minimum of twenty percent (20%) of Company's "adjusted net proceeds" ("Contractor's Share"). "Adjusted Net Proceeds" shall mean "Company's Net Proceeds" after deducting shares thereof payable to investors. Contractor's contingent compensation shall be defined, calculated and remitted on the same basis as Company.

Contractor's entitlement to such contingent compensation shall accrue and vest, if at all, in equal one-third (1/3) shares at the completion of Contractor's services on each of (a) pre-production, (b) production, and (c) post-production (each a "Phase") (*i.e.* one-third at the completion of Contractor's services on pre-production of the Picture; one-third at the completion of Contractor's services on production of the Picture, one-third at the completion of Contractor's services on post production and delivery of the Picture.). For the avoidance of doubt, Contractor's entitlement to each one-third share of the Contractor's Share of Adjusted Net Proceeds shall accrue and vest only if and upon Contractor's satisfactory completion of producing services for the duration of the applicable Phase (*e.g.* for purposes of explanation only, if Contractor satisfactorily completes services through pre-production and production of the Picture only, Contractor shall be entitled to receive a maximum of two-thirds of the Contractor's Share of Adjusted Net Proceeds).

Notwithstanding the foregoing, if the Company distributes an amount greater than forty percent (40%) of Company's Adjusted Net Proceeds to third party profit participants, the amount of Contractor's entitlement to the Contractor's Share of Adjusted Net Proceeds may be reduced pro rata with such reduction for Company's Adjusted Net Proceeds with a "floor" or minimum of ten percent (10%) of Company's Adjusted Net Proceeds except with Contractor's written consent..

Contractor shall have the right to audit Company's books not more than once annually on thirty (30) days written notice.

8. **Approved Executory Obligations** Effective upon Delivery (or any earlier termination of this Agreement by Company), Company shall assume the following executory obligations (collectively "Approved Executory Obligations"); (A) those executory obligations (other than credit obligations) which arise after Delivery (or any earlier termination of this Agreement by Company) pursuant to agreements with parties who rendered or arranged for the rendering of services for the Picture and (B) credit obligations arising before and after Delivery; provided all such executory obligations have been approved by Company.

9. **Control of the Production**. Company and Contractor shall reasonably consult with each other as to all material matters relating to the production of the Picture. If there is any disagreement between Contractor and Company relating to production matters (including, without limitation, directors' cut and final cut subject to distributor approval if required), the final decision shall be made by Company, in its sole discretion.

10. **Key Person**. Contractor acknowledges and agrees that the service of

Nicholas de Pencier ("Key Person") are of the essence to this Agreement and that Company is entering into this Agreement in reliance on a minimum of one (1) Key Person remaining available to Contractor to render services in connection with the Picture as, when and where reasonably required until the completion of services hereunder.

11. **Credit.** The Picture shall contain all required screen credits in conformity with all contractual specifications and shall be submitted in accordance with the following:

(a) **Limitations on Credits.** Except as expressly provided herein, Contractor shall not grant any above-the-line third party credit on screen or in paid advertising without Company's prior written approval.

(b) **[Intentionally deleted.]**

(c) **Contractor Credit.** Subject to the performance of Contractor's obligations hereunder, and provided that Contractor is not in breach or default of this Agreement, and subject to the last sentence of Paragraph 10(d) below, Contractor shall be entitled to receive a Contractor credit in substantially the form after Company receives its presentational credit: **"KICKINGTHORN MEDIA IN ASSOCIATION WITH MERCURY FILMS INC."** (i) on screen, on a separate card in the main titles (if main titles are used, otherwise in the end credits); (ii) in the billing block of paid advertising for the Picture, whenever and wherever the billing block appears, subject to each distributor's customary exclusions; and (iii) in the billing block of so-called "excluded ads" (except for award, nomination or congratulatory ads and ads announcing a personal appearance in which no person other than the person awarded, nominated, congratulated or appearing is mentioned, special ads (e.g. ads in which more than one picture is mentioned), radio ads and/or the audio portion of teasers, trailers and television ads) in which Company's presentation credit appears. The foregoing credit shall be tied in size to Company's presentation credit.

(d) **Producer Credits.** Subject to the performance of Contractor's obligations hereunder, and provided that neither Contractor nor any member of the Creative Team is in breach or default of this Agreement or his or her respective service/rights agreements: de Pencier shall be entitled to receive producer credit in connection with the Picture in substantially the following form: "Produced By Nicholas de Pencier": (i) on screen, on a card in first position of all "produced by" credits in the main titles (if main titles are used, otherwise in the end credits); and (ii) in the billing block of paid advertising for the Picture, whenever and wherever the billing block appears, subject to each distributor's customary exclusions.

The parties acknowledge that Kermit Woods shall be accorded an executive producer credit on a most favored nations basis as any producer or executive producer on the Picture but he may use the pseudonym Kermit Blackwood or any other pseudonym of his choice.

(e) **[Intentionally deleted.]**

(f) **Director Credits.** Subject to the performance of Contractor's obligations hereunder, and provided that neither Contractor nor any member of the Creative Team is in breach or default of this Agreement or his or her respective service/rights agreements: Nicholas de Pencier shall be entitled to receive director credit in connection with the Picture in substantially the following form: "Directed By Nicholas de Pencier & Kermit Blackwood": (i) on screen, on a card shared only with each other in second position of all "produced by" credits in the main titles (if main titles are used, otherwise in the end credits); and (ii) in the billing block of paid advertising for the Picture, whenever

and wherever the billing block appears, subject to each distributor's customary exclusions.

(g) **General.** Contractor hereby acknowledges that Contractor shall not grant any credits, whether above-the-line, on-screen, in paid advertising or otherwise without Company's prior written approval. Except for the foregoing, the size, color, shape, placement, duration and all other characteristics of said credits shall be at Company's sole discretion. No casual or inadvertent failure by Company or its assignees to accord such credit nor the failure for any reason by third parties to comply with the provisions of this paragraph, shall be deemed a breach hereof by Company. Contractor is instructed to correct any credit failure concerning its credit prior to delivering the Picture. Upon receipt of written notice from Contractor of the failure to properly accord credit as specified herein, Company shall take such steps as are reasonably practicable to cure such failure on a prospective basis. Company shall use its reasonable efforts to bind third party domestic distributors to such credit obligations and to notify third party foreign distributors and sales agents of such credit obligations.

12. **Cutting, Editing and Dubbing**

(a) Director shall have the right to two (2) preview screenings to submit the "Director's Cut" of the Picture.

(b) As between Contractor and Company, Company shall at all times have the sole and exclusive right to cut, edit, adapt, change, transpose, interpose, interpolate in, add to and subtract from the Picture including, without limitation, the Picture thereof. For the avoidance of doubt, Contractor shall have no right to cut, edit, adapt, change, transpose, interpose, interpolate in, add to and subtract from the Picture, without the written consent of Company.

(c) Delivery of the Picture shall be in accordance with Company's delivery schedule and requirements. As currently anticipated, the Picture, as delivered, shall (i) be no less than seventy (70) minutes and no more than one hundred twenty (120) minutes in length; and (ii) qualify with the Motion Picture Association of America for a rating no more restrictive than R. In the event the MPAA requires any additional cuts to accord the Picture such rating, Contractor shall have the right to make such cuts as are necessary and subject to Contractor's availability but at no additional compensation. Additional cuts and lengths shall be discussed and created as appropriate in Company's and distributor's discretion. Contractor shall have the right to remove Contractor's director credit and replace it with a reasonable pseudonym no later than "picture lock" of the Picture (as such term is customarily known in the motion picture industry)..

13. **Default.**

(a) **By Contractor.** Contractor will at all times exert its best efforts to complete its services at the earliest possible time. If Contractor fails to exert its best efforts hereunder, or fails to perform the conditions hereof, or fails to pay such parties as it employs or to pay for such materials and/or equipment that it purchases or rents when such payments are due, or shall become insolvent, or shall make an assignment for the benefit of creditors, or shall commence any proceeding in bankruptcy, or if any such proceedings are commenced against it (and are not discharged within thirty (30) days), or as stated in Paragraph 20 herein ("Contractor Default"), Company may, if it so elects and without prejudice to any other rights it may have, terminate this Agreement by giving forty eight (48) hours written notice of its election to take over all work, or any part thereof, and all equipment

and materials and finish the production of the Picture by whatever method it deems expedient. In such event, Contractor shall not be entitled to receive any payment until the work is finished, and further, Contractor shall be entitled only to the compensation stated in this Agreement.

(b) **By Company.** In the event Contractor is not in Default as defined in Paragraph 13(a), and in the event that Company fails to furnish Contractor with any monies in accordance with the Budget and further fails to make such payment within seventy-two (72) hours of receipt of written notice thereof from Contractor, then such failure shall constitute a "Company Default". In the event of a Company Default, Contractor shall notify Company in writing and Company shall have five (5) business days to cure said Company Default. In the case of such cure, Company shall nevertheless be responsible for any costs, expenses, or damages actually incurred by Contractor arising out of said Company's Default.

14. **[Intentionally Deleted].**

15. **Representations and Warranties**

(a) Contractor represents and warrants that (i) it has the right to enter into this Agreement; (ii) it has not and will not sell, assign, convey or encumber any of the rights herein granted to Company; (iii) neither the Picture nor any part thereof, nor the exercise by any authorized party of any right granted to Company hereunder will, to the best of Contractor's knowledge, violate or infringe the copyright, literary, dramatic, personal, private, or civil or property rights, or rights of privacy, or any other rights of any third party; (iv) it has not and will not do or commit any act or thing that is or might be in derogation of the rights herein granted to Company; and (v) Company shall not incur or have any obligation to pay taxes, withholdings, penalties, customs or duties of any kind to Contractor or any third party in connection with Contractor's services hereunder.

(b) Contractor has advised Company of all commitments it has made in connection with the Picture and will furnish Company with signed copies of all contracts and other documents by which Contractor has acquired any rights, literary material, services, facilities, or any other element to be used for the Picture. Contractor shall furnish Company pursuant to the Delivery Schedule, with copies of all contracts and other documents, as well as amendments thereto, by which Contractor hereafter acquires any rights, literary material, services, facilities, or any other element for the Picture. All agreements entered into by Contractor with third parties shall contain terms consistent with the Budget and the provisions hereof.

(c) Company warrants and represents that it has the right to enter into this Agreement, and that it will not commit or omit any act that would constitute a breach or infringement of any contract or right of any agreement provided pursuant to Paragraph 15(b) above.

16. **Indemnification.**

(a) **By Contractor:** Contractor agrees to indemnify Company, its successors, assigns, licensees, officers, directors and employees and hold them harmless from and against any and all claims, liability, losses, damages, costs, expenses (including reasonable attorneys' fees) judgments and penalties ("Damages and Expenses") arising out of, resulting from, based upon or incurred because of a breach of any representation, warranty and/or agreement made by Contractor hereunder.

(b) **By Company:** Except with respect to (i) matters constituting a breach by Contractor of any of Contractor's representations, warranties, and/or agreements; and/or (ii) gross negligence or willful misconduct on Contractor's part, Company shall indemnify Contractor against any Damages and Expenses but not including any Damages and Expenses relating to any settlement entered into without Company's written consent, arising out of any third party claim resulting from (i) any materials supplied by Company for use in connection with the Picture, or incorporated into the Picture by Company which was not written or supplied by Contractor; and (ii) Company's promotion, distribution and/or exploitation of the Picture, provided that Contractor adheres to any and all instructions given by Company in connection with the Picture relating to such third party claim.

17. **Insurance.** On full production financing, Contractor will obtain on behalf of Company, from insurance companies approved by Company, liability and workers' compensation and employer's liability, public liability and property damage insurance, auto third party liability insurance including passenger liability insurance covering all vehicles in accordance with compulsory local requirements, and other customary insurance protecting the Picture and Company against any liability from any hazard or risk with respect to the Picture. Such insurance shall be carried in an amount satisfactory to Company which shall be named as an additional insured and loss payee and shall be payable to Company and Contractor according to their respective interests under the policies.

Such coverage shall include Producer's Liability (Errors and Omissions) policy with coverage of at least One Million Dollars (\$1,000,000) for each claim and Three Million Dollars (\$3,000,000) in the annual aggregate and with a deductible of not greater than Ten Thousand Dollars (\$10,000) for each claim. Policy shall be maintained for a three-year term effective prior to the first public promotion or advertising, public release or exhibition of the Picture. Policy shall include provisions that it may not be revised, modified or canceled without thirty (30) days prior written notice to Company.

18. **Company's Rights and Ownership.** Company, its successors and assigns shall be entitled to and shall own, solely, exclusively, forever and throughout the world, all of the results and proceeds of Contractor's services hereunder and all persons engaged in connection with the Picture, and including, without limitation, any and all materials which Contractor and all persons engaged in connection with the Picture, may perform, write, suggest, direct or produce in connection with the Picture including, without limitation, any DVD supplemental footage (collectively, the "Work"). The Work shall constitute work specifically commissioned for use as a contribution to a motion picture and shall be considered "work-made-for-hire" as such term is used in the United States Copyright Act. Accordingly, Company shall be considered the author and, at all stages of completion, the sole and exclusive owner of the Work and all right, title and interest therein, all right, title and interest in the Picture and all constituent elements thereof (including, without limitation, the titles, themes, stories and the characters therein, and all translations, adaptations, sequels and other versions thereof and any other material of any kind pertaining or related to the Picture) ("Rights"). The Rights shall include, without limitation, all copyrights, neighboring rights, trademarks and any and all other ownership and exploitation rights in the Work now or hereafter recognized in any and all territories and jurisdictions, including, by way of illustration, production, reproduction, distribution, adaptation, performance, fixation, rental and lending rights, exhibition, broadcast and all other rights of communication to the public and the right to exploit the Work throughout the universe in perpetuity in all media, markets and languages and in any manner now known or hereafter devised. If under any applicable law the fact that the Work is a work-made-for-hire is not effective to place authorship and ownership of the Work and the Picture and all rights therein in Company, then to the fullest extent allowable and for the full term of protection otherwise accorded to Contractor under such applicable law (including any and all renewals, extensions and revivals thereof), Contractor hereby assigns and transfers to Company the Rights and, in connection therewith, any and all right,

title and interest of Contractor in the Picture and any other works now or hereafter created containing the Work. To the fullest extent allowable under any applicable law, Contractor hereby irrevocably waives or assigns to Company its so-called "moral rights" or "droits moral". Contractor expressly acknowledges that many parties will contribute to the Picture and other works that will embody all or part of the Work. Accordingly, if under any applicable law the above waiver or assignment by Contractor of "moral rights" or "droits moral" is not effective, then Contractor agrees to exercise such rights in a manner which recognizes the contribution of and will not have a material adverse effect upon such other parties.

19. **Distribution Rights**

(a) As between Company and Contractor, Company shall have the sole and exclusive right and the right to license others to use, exploit, market, advertise, publicize, distribute and sub-distribute and otherwise deal in and with the Picture and all elements and properties thereof throughout the universe and in perpetuity, by any means and in any medium, whether now or hereafter known, on such terms and conditions that Company or its licensees may elect in the exercise of its sole discretion. Contractor shall have the right however to meaningfully consult with Company regarding the distribution, marketing, advertising and exploitation of the Picture, the final decision as to which shall be made by Company, in its sole discretion.

(b) Commencing on the date hereof, Contractor will not use, or permit others to use or exercise any rights in any basic literary or other material to be used in the Picture, except as allowable hereunder.

20. **Rights of Suspension/Termination:**

(a) **Company's Right To Suspend.** Company shall have the right to suspend this Agreement and all of its obligations hereunder upon written notice to Contractor during all periods that a disability, Default or event of "Force Majeure," as such term is defined below, is in effect. Such suspension shall continue for the duration of the disability, Default or Force Majeure event, plus such additional period of time as may reasonably be required to make preparation for the resumption of production of the Picture, as determined by Company. A suspension shall not relieve Contractor of its obligations under this Agreement. If Company suspends this Agreement, Contractor shall forthwith exercise all rights of suspension provided in favor of Contractor in all contracts with production personnel, unless expressly directed to the contrary by Company.

(b) **Company's Right To Terminate.** If at any time prior to the Delivery of the completed Picture to Company hereunder (i) a material Default by Contractor shall occur and not be cured within seventy-two (72) hours after receipt of written notice thereof (if curable); (ii) death of de Pencier; (iii) a disability of Contractor shall occur and shall continue for a period of five (5) consecutive days or more or an aggregate of ten (10) days or more; (iv) abandonment of the Picture; or (v) an event of Force Majeure shall occur and continue for a period of four (4) consecutive weeks or more or an aggregate of six (6) weeks or more, Company shall have the right, at any time thereafter during the continuance of such Default, disability or event of Force Majeure, to terminate this Agreement by written notice to Contractor. Notwithstanding the foregoing, Company may terminate this Agreement for any reason at any time upon written notice of no less than twenty four (24) hours to Contractor. In the event of such termination, Company shall have no further obligation to pay Contractor, provided that Contractor will be entitled to receive compensation accrued, but unpaid, to the date of termination under this Agreement.

(c) **Effect of Termination.** If Company terminates this Agreement: (i) Contractor shall deliver to Company or its designee all materials and properties (including, without limitation, all documents, records, books, pre-print and print material) in Contractor's possession or under its control relating to the Picture and all monies advanced to Contractor in connection with the production of the Picture and not theretofore expended; (ii) Contractor shall and hereby does assign to Company all interest in the contracts and all of Contractor's right, title, and interest, if not heretofore assigned to Company, in and to any and all contracts and agreements relating to the Picture, the negative and copyright thereof, and the literary, dramatic, and musical material on which the Picture is based; (iii) Company shall have the irrevocable right, but not the obligation to take over the production and/or post production of the Picture and to assume complete and sole control over all matters regarding the Picture (including, without limitation, decisions as to abandonment or completion, in such manner as Company deems advisable, further expenditure of funds, all creative elements and/or replacement of personnel; (iv) Contractor agrees that it will cooperate with Company and in no way interfere with Company in Company's exercise of its take over rights; and (v) Company shall have no further obligation to Contractor pursuant to the terms hereof.

(d) **Force Majeure.** As used herein, the term "Force Majeure" shall mean: the interruption of or material interference with the preparation, commencement, production, completion, or distribution of the Picture or of a substantial number of motion pictures produced and/or distributed or proposed to be produced and/or distributed by Company by any cause or occurrence beyond the control of Company or Contractor, as the case may be, including fire, flood, epidemic, public health emergency, earthquake, explosion, accident, riot, war (declared or undeclared), blockade, embargo, act of public enemy, terrorist act or threat, civil disturbance, labor dispute, strike, lockout, inability to secure sufficient labor, death or disability of key personnel rendering services on the Picture, power, essential commodities, necessary equipment or adequate transportation or transmission facilities, any applicable law or any other act of God.

(e) **No Election of Remedies.** Nothing in this paragraph shall be construed so as to limit or impair any other rights or remedies Company may have under this Agreement, or at law, or in equity by reason of any breach or default by Contractor in the performance of any of its obligations under this Agreement.

21. **Assignment.** Company shall have the right to assign any or all of its rights to the Picture, the elements and properties therein, the results and proceeds derived therefrom, and Company's rights and obligations hereunder, to any person, firm or corporation. Contractor shall not have the privilege of assigning any of its obligations hereunder without the express written consent of Company.

22. **Notices** All notices given hereunder shall be in writing and may be given by telefax or by mailing or by personal delivery. The date of delivery of a telefax or three days after the date of any mailing or the date of any personal delivery shall be deemed to be the date of the giving of notice. Notice shall be addressed to the parties at their respective addresses as listed above, with a courtesy copy to Cowan, DeBaets, Abrahams & Sheppard, LLP, 41 Madison Avenue, 31st floor, New York, New York 10010, Attn.: Robert L. Seigel, Esq. The parties may change their respective address at any time by written notice to the other parties in accordance with this paragraph.

23. **Additional Documents** Each of the parties hereto agrees to execute any additional documents which may be required or be desirable to fully effectuate the purposes and

intents of this Agreement or to carry out the obligations of the parties hereunder, provided that they are not inconsistent with the provisions of this Agreement.

24. **Publicity.** Contractor warrants and agrees that Contractor shall not authorize the publication of any news story, magazine article or other publicity or information of any kind or nature relating to the Picture or Contractor's services hereunder or to Company or to any exhibitor or any distributor of the Picture without the prior written consent of Company in each instance; provided, however, that Contractor may issue personal publicity solely concerning Contractor in which the Picture is mentioned incidentally, so long as such references to the Picture are not derogatory. Company and its licensees shall have the right and may grant to others the right to reproduce, print, publish, or disseminate in any medium Contractor's name, approved pictures and/or approved likenesses and approved biographical material concerning Contractor in connection with any advertising, publicizing, exhibition, use and/or other exploitation of the Picture. Company will not use any such material which Contractor disapproves in writing, provided that Contractor furnishes substitute material, satisfactory in Company's sole discretion, in time for use within Company's release and/or distribution schedules. This paragraph will not apply to any material previously approved by Contractor or used by Company. Company's inadvertent failure to comply with this paragraph will not constitute a breach of this Agreement, and Contractor shall not be entitled to injunctive relief to restrain the continuing use of any material used in contravention of this paragraph. Upon Company's receipt of notice from Contractor of any such failure, Company shall use best efforts to cure such failure on future runs of the material concerned but Company's failure to do so shall not be deemed a breach of this Agreement.

25. General Provisions

(a) **Remedies** Contractor's sole right for any breach of this Agreement by Company shall be the right to an action at law for money damages, if any, and the rights herein granted by Contractor shall not terminate by reason of such breach. In no event may Contractor terminate this Agreement or be entitled to injunctive or other equitable relief with respect to any breach of Company's obligations hereunder, and under no circumstances shall Contractor be entitled to enjoin, restrain or in any way interfere with the development, production, use or exploitation of the Picture or any rights therein or associated therewith. Contractor acknowledges and agrees that Contractor's services and the rights herein granted are unique in character and value such that the loss thereof could not be reasonably compensable in damages in an action at law. Accordingly, if Contractor breaches this Agreement, Company shall be entitled to seek any available equitable relief, including but not limited to, injunctive relief.

(b) **Remedies Cumulative.** The remedies available to Company hereunder are cumulative and the exercise of one right or remedy by Company shall not preclude Company from exercising other or additional rights or remedies available to it under this Agreement or at law or in equity.

(c) **No Obligation To Use.** Company is not obligated to use the Services of Contractor or to develop, produce, distribute or exploit the Picture, or, if commenced, to continue the development, production, distribution, or exploitation of the Picture in any territory; and regardless of whether or not Company elects to develop, produce, distribute and/or exploit the Picture (or to commence same), Company shall not be obligated to use the Services (in whole or in part) of Contractor hereunder, and Contractor shall not be entitled to any damages or other relief by reason

thereof, Company's obligations being fully and completely satisfied by the payment of any part of the compensation that may become due to Contractor hereunder.

(d) **Relationship of Parties**. This Agreement does not constitute a partnership or joint venture between Company and Contractor. Contractor is not the representative or agent of Company and Company is not the representative or agent of Contractor and neither shall so hold itself out publicly or to any third party or incur any liability for the other.

(e) **No Agency**. Contractor shall not incur any debts or other obligations in the name of Company, it being understood and agreed that the parties hereto are entering into this Agreement as independent contractors and nothing herein shall constitute one part hereto as an agent of the other.

(f) **Waiver**. Any waiver by either party whether express or implied, of any breach of any term, condition or provision of this Agreement, shall not be construed to be a continuing waiver or consent to any subsequent breach on the part of the other party.

(g) **Modification**. This agreement may not be modified except by written agreement signed by both of the parties.

(h) **Entire Agreement**. Each party acknowledges that no representation or warranty not expressly set forth in this Agreement has been made to the other party, it being agreed that this Agreement (and any exhibits and attachments) constitutes the entire agreement of the parties regarding the subject matter hereof and supersedes all prior agreements with respect thereto.

(i) **Governing Law**. This agreement shall be construed and enforced under and subject to the State of Colorado. Any insoluble dispute or controversy arising out of or in relation to this Agreement shall be resolved exclusively in the courts located in the County and State of Colorado, and applicable appellate courts. Any insoluble dispute or controversy arising between the parties shall be determined and settled exclusively by arbitration in Colorado before a single arbitrator appointed by, and pursuant to the rules then obtaining of, the American Arbitration Association.

(j) **DVD**. Provided Contractor is not in material breach or default hereunder and subject to Artist's full performance of all material services and obligations hereunder, Company shall supply Contractor with one (1) DVD copy of the Picture if and when such becomes commercially available, for Contractor's personal, non-commercial use.

(k) **Counterparts**. This Agreement may be executed by hand, facsimile, electronically or optically scanned (e.g., pdf) in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto, intending to be bound, have set their hands the day and year first above written, thereby constituting this the binding agreement between them with respect to the subject matter hereof.

CHICKEN THE MOVIE, LLC.

("Company")

By _____

Its: _____

MERCURY FILMS INC.

("Contractor")

By _____

Its: _____

I, Nicholas de Pencier, have read and am familiar with all the terms of the foregoing Agreement between CHICKEN THE MOVIE, LLC. ("Company") and MERCURY FILMS INC. ("Lender") and, I consent to the execution thereof, ratify and confirm in my individual capacity all representations, warranties and agreements of Lender contained herein, agree to be bound by the terms and conditions thereof and agree that I shall render all services and grant all rights as are necessary to enable Lender to comply with its obligations under said Agreement. In the event of any breach or default by Lender, I agree that without prior notice to me or Lender, Company may proceed against me as if I were a party thereto and I shall be primarily, jointly and severally liable with Lender thereunder.

NICHOLAS DE PENCIER

("Service Provider")

SHORT FORM ASSIGNMENT

Reference is hereby made to that certain Production Services Agreement dated as of May __, 2011 between CHICKEN THE MOVIE, LLC (“Company”) and MERCURY FILMS INC. (“Contractor”) in connection with the feature-length documentary motion picture tentatively entitled “CHICKEN OUT OF THE JUNGLE INTO THE FRYING PAN” (the “Picture”), as amended, supplemented or otherwise modified from time to time (the “Agreement”).

For good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Contractor acknowledges and agrees that results and proceeds of Contractor’s services under the Agreement (including, without limitation, the services of any of Contractor’s employees, officers and directors who are involved in rendering such services) (the “Results and Proceeds”), including without limitation all themes, plots, characters, formats, ideas, stories, and all other material composed, submitted, added, created, or interpolated by Contractor hereunder, which Contractor acknowledges may have been or may be rendered in collaboration with others, shall be deemed a work-made-for-hire for Company prepared within the scope of Contractor’s employment and/or as a work specifically ordered and/or commissioned by Company for use in an audio-visual work, and therefore, Company shall be the author and exclusive copyright owner thereof for all purposes throughout the universe. Company shall solely and exclusively own throughout the universe, in perpetuity and in all languages, all rights of every kind and nature whether now or hereafter known or created in and in connection with such Results and Proceeds including, without limitation, all copyrights (and renewals and extensions thereof), all forms of motion picture, television, digital television, video and computer games, videocassette, video or laser disc, computer-assisted media, character, sequel, remake, sound recording, theme park, stage play, merchandising and allied, ancillary and subsidiary rights therein, and the foregoing is inclusive of a full irrevocable assignment to Company thereof.

If under applicable law the foregoing is not effective to place authorship and ownership thereof and all rights therein in Company, then, for good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, by way of assignment and transfer of present and future copyright and otherwise, Contractor hereby irrevocably sells, transfers, grants, and assigns to Company, all of its right, title and interest in the Picture and the Results and Proceeds, whether now in existence or hereafter created, including, without limitation, all rights of ownership and authorship in and to the Results and Proceeds, and all elements and versions thereof (including all physical film elements in which any such Results and Proceeds may be embodied), throughout the universe and in perpetuity, and Contractor acknowledges and agrees that it shall hold no right, title, or interest in or to any such items. Contractor acknowledges the receipt of full and proper equitable remuneration in consideration of Contractor’s rental and lending rights, if any. All rights granted to Company shall vest in Company immediately upon creation without reservation, condition or limitation, and shall remain vested whether or not this Agreement is terminated for any reason. No rights of any kind are reserved to or by Contractor or shall vest in or revert to Contractor. Contractor waives Contractor’s so-called “moral rights,” if any, and Company shall have the right to add to, subtract from, rearrange, change the title of and edit the Picture and dub or subtitle the Picture as Company may determine in its sole discretion.

Contractor agrees to execute any further documents and to do such further acts as may be necessary to evidence, effect, perfect, register, or enforce Company’s ownership of such rights, in whole or in part. If Contractor fails or refuses to execute any such documents, Contractor hereby appoints Company as Contractor’s attorney-in-fact (this appointment to be irrevocable and a power coupled with an

interest) to act on Contractor's behalf and to execute such documents.

Company, its successors and assigns, are hereby empowered to bring, prosecute, defend and appear in suits, actions and proceedings of any nature under or concerning infringement of or interference with any of the rights granted to it under the Agreement.

This Short Form Assignment is made expressly subject to the terms and conditions contained in the Agreement. Contractor and Company acknowledge that this Short Form Assignment should be read in conjunction with the Agreement and, in the event of any conflict between the provisions of this instrument and the Agreement, the Agreement shall control. This Short Form Assignment is made and entered into as of May 1 _____, 2011.

IN WITNESS WHEREOF, Contractor has caused this Short Form Assignment to be duly executed and delivered by its managing member or officer thereunto duly authorized as of the date written above.

MERCURY FILMS INC.
("Contractor")

By: _____

Its: _____

ALSO AGREED AND ACCEPTED:

NICHOLAS DE PENCIER

EXHIBIT "A"
FIRST DRAFT APPROVED BUDGET

