

**KEROSENE COWBOYS, INC.**

12400 Ventura Blvd #674

Studio City, CA 91608

Phone: 818-980-0488

Fax: 818-980-0489

**ARTIST SHORT FORM DEAL MEMO**

The following confirms the terms of the artist agreement (the "**Agreement**") made between **KEROSENE COWBOYS, INC.** ("**Producer**"), a Screen Actors Guild ("SAG") signatory in good standing and Third Son Prod., Inc. ("**Lender**") for services of Jacob Vargas ("**Artist**") as of the date set out herein.

**DATE:** As of October 13, 2008

**CONDITION PRECEDENT:** Producer's receipt of an executed Agreement from Lender and Artist, a copy of Artists U.S. Residency Authorization, Russian Visa and SAG work permit approval both of which will be handled by Producer.

**ARTIST:** Jacob Vargas  
Third Son Prod., Inc.  
c/o PARADIGM  
360 North Crescent Drive  
North Building  
Beverly Hills, CA 90210  
EIN # 95-4692113

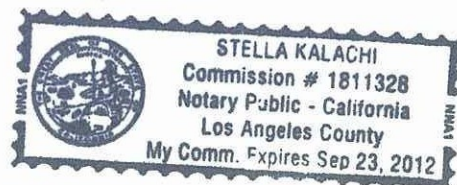
**AGENT:** Frank Reina  
PARADIGM  
360 North Crescent Drive  
North Building  
Beverly Hills, CA 90210

**CITIZENSHIP:** Mexico – with United States Residency

**PRODUCTION:** A motion picture intended for theatrical release currently entitled *Kerosene Cowboy's* (the "**Production**" or "Picture").

**ROLE:** Jackson Smith

**PERIOD OF ENGAGEMENT:** Principal photography to commence on January 5, 2009 for twenty-eight (28) days of principal photography with a hard stop date (the "Stop Date") of February 15, 2009 (the "Period of Engagement"). After the Period of Engagement, Producer may utilize Artist's services for additional days in Los Angeles, California, subject to Artist's then professional availability.



**LOCATION:** In and around St Petersburg, Russia, Gelenjik, Russia, Fallon, Nevada, and Los Angeles, California (collectively the "Location").

**FIXED COMPENSATION:** Artist is pay or play now for Sixty Five Thousand Dollars (US \$65,000) (SAG Schedule F) (the "Fixed Compensation") with the full amount to be escrowed with Comerica Bank Escrow Services within one (1) business day of Lender's and Artist's execution of this Agreement and an escrow agreement with Comerica Bank Escrow Services. The Fixed Compensation shall be inclusive of payment for Artist's services for the Period of Engagement and two (2) free post-days (the "Free Post Days"), which if non-consecutive to the Period of Engagement, shall be subject to Artist's then professional availability. In the event Artist's services are required by Producer in excess of the Period of Engagement and Free Post Days, Producer shall pay to Lender overage compensation (the "Overage Compensation") in the amount of Two Thousand Three Hundred Twenty One Dollars and Forty Three Cents (\$2,321.43) per overage day (representing the Fixed Compensation divided by the number of days (28) Artist is scheduled to work).

**CONTINGENT COMPENSATION:** Lender shall receive and be paid contingent compensation (e.g. box office bonuses, profit participations, deferments, etc.) in an amount and pursuant to a definition no less favorable than that provided to any other cast member providing services in connection with the Production.

**CREDIT:** On screen, on a separate card, in the main titles, in no worse than fifth (5<sup>th</sup>) position and in paid advertising (including, but not limited to DVD packaging) in the regular billing block portion subject to customary exclusions, exceptions and exculpatory provisions. Artist's credit shall be tied in size, prominence, and duration to all other actors on screen and in the billing block. All other matters relating to Artist's credit shall be at Producer's sole discretion however if any other cast member is accorded credit in excluded ads or artwork, Artist shall also be accorded credit. If any other cast likeness is used, Artist's likeness shall appear.

Following receipt of written notice by Lender and/or Artist setting forth any failure by Producer to comply with the credit provisions hereof, Producer will use best commercial efforts to cure such failure prospectively in all prints thereafter ordered, or advertising materials thereafter created. No casual or inadvertent failure by Producer or by any third party to comply with said screen credit provisions, or any covenant of this Agreement, shall be deemed a breach of this Agreement. Artist's rights in the event of a breach by Producer of the terms of this Agreement shall be limited to an action at law for damages, and in no event shall Artist be entitled by reason of such breach to terminate this Agreement or to enjoin or restrain the production, distribution, exhibition or exploitation of the Production. Producer shall advise and shall make its best efforts to contractually obligate all distributor(s) of the Production to honor Artist's credit entitlement and require that such credits be given. Lender and



Artist acknowledges that Producer shall not be in breach hereunder if a distributor fails to comply with Producer's proper advice concerning Artist's credit.

**AIR**

**TRANSPORTATION:**

While Artist is required to render services during principal photography at a location more than fifty (50) miles away from Artist's principal place of residence (currently which is Los Angeles, California), Producer agrees to provide Artist with one (1) first-class (if available) round-trip airfare from Los Angeles, California to Fallon, Nevada and St. Petersburg, Russia, if available and if used, plus one (1) additional first-class round-trip airfare for Artist's use between Fallon, Nevada and Los Angeles, California and St. Petersburg, Russia and Los Angeles, California, if available and if used, if Artist's hold days exceed one (1) week in any period. In addition, Producer shall provide two (2) additional first-class round-trip airfares, or the cash equivalent, for the use of Artist's wife and child between Los Angeles, California and Fallon, Nevada, if available and if used. If any cast member receives extra ticket(s) for guests of that cast member to travel to Russia, Artist shall also receive such extra ticket(s) for the use by Artist's wife and/or child.

**ACCOMMODATION  
& GROUND**

**TRANSPORTATION:**

While Artist is required to render services during principal photography at a location more than fifty (50) miles away from Artist's principal place of residence (currently which is Los Angeles, California), Producer agrees to provide Artist with first-class hotel accommodations (room, tax, and parking charges), exclusive first-class ground transportation to and from airport, exclusive first-class ground transportation to and from set, and, on an MFN basis, the exclusive use of a first-class car with driver while on Location.

**SET**

**ACCOMMODATION:**

First-class stand alone trailer, cleaned daily, or similar accommodation furnished with first-class amenities, MFN with all cast.

**PER DIEM:**

A non-accountable per diem of One Hundred US Dollars (\$100.00) for each day of Location production, on an MFN basis with all cast.

**CELL PHONE:**

Producer will provide Artist with a SIM card for a SIM card-compatible cell phone (to be provided by Artist) in each city/country of the Location. Producer will pay for such SIM cards and for the cost of the calls Artist makes with such SIM card enabled cell phone during the Period of Engagement. No other cast member will receive a SIM-card compatible cell phone or a higher quality SIM card than Artist

**RESEARCH:**

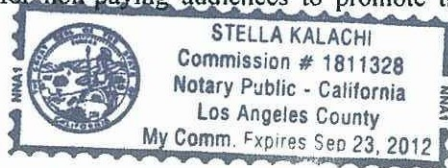
Producer agrees to provide Artist with access to fighter plane research. Producer agrees to coordinate directly with Artist with regard to providing such research.

**GUILD:**

SAG

**PUBLICITY:**

At the request of Producer, Artist agrees to make a reasonable number of non-performing personal appearances for non-paying audiences to promote the



theatrical release of this Production, subject to Artist's approval and professional availability. Artist will be provided with first class round-trip transportation, first class accommodations, and first-class exclusive ground transportation and reasonable living expenses in connection with any such publicity appearances. Artist shall reasonably cooperate with Producer and exhibitors with respect to publicity, promotion and exhibitor affiliate relations.

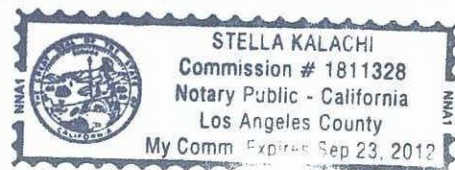
**APPROVALS:**

Producer shall retain all approvals and controls, including without limitation, the right to initiate action at any time and in any respect in connection with the Production; provided, however, that, upon the condition that Lender and/or Artist is not in uncured material breach or default hereunder, Artist shall have the following rights of consultation and/or approval:

**Still Photographs:** For still photographs (the "Stills") submitted to Artist for approval hereunder, Artist shall approve not less than fifty percent (50%) of the Stills in which Artist appears alone or with others who do not have approval rights and not less than fifty percent (50 %) of the Stills in which Artist appears with any other actor(s). If Artist fails to approve at least the above-indicated requisite percentage of such Stills within ten (10) business days (reducible to five (5) business days if notified in writing of marketing or other business exigencies) after Artist's receipt of such Stills, then in addition to those Stills already approved by Artist, if any, Producer may designate and use such appropriate number of submitted Stills in order to meet the appropriate percentage requirement.

**Likeness:** Producer shall submit artistic renderings of Artist's likeness (the "Likeness(es)") to Artist for a maximum of three (3) passes. If Artist does not approve the Likeness rendering(s) submitted, Artist shall, within ten (10) business days (reducible to five (5) business days if notified in writing of marketing or other business exigencies) of Artist's receipt of such Likeness, advise Producer, in writing, of Artist's disapproval and the specific reasons therefore. Producer shall then conform such artistic rendering to Artist's reasonable requirements and resubmit the same to Artist for additional passes. For each such additional pass, Artist shall advise Producer, in writing, within ten (10) business days (reducible to five (5) business days if notified in writing of marketing or other business exigencies) of Artist's receipt of such modified Likeness if Artist has further comments. Producer shall then conform such artistic rendering to Artist's reasonable requirements. If Artist does not specifically disapprove a submitted Likeness, in writing, within the aforementioned periods and/or has not given the reason for such disapproval to Producer within the aforementioned periods, in writing, the same shall be deemed approved.

**Biography:** Producer shall use only a biography of Artist which has been supplied to Producer by Artist, provided that if Artist does not supply such biography Producer may compose a biography of Artist and use same upon approval thereof by Artist. Approval or disapproval of such biography shall not be unreasonably delayed and approval shall be deemed given if Artist fails to make written objection to said biography within ten (10) business days of Artist's receipt of such biography.



Screenplay Approval: Artist shall have approval as to the screenplay, not be unreasonably withheld (the "Approved Screenplay"). Artist hereby acknowledges pre-approval of the screenplay dated July 28, 2008. Artist shall have approval, not be unreasonably withheld, as to any changes to the Approved Screenplay to the extent such changes materially alter Artist's role. If Artist fails to disapprove in writing any material changes within ten (10) business days reducible for bona fide production exigencies to five (5) business days upon written notice to Artist of the exigencies requiring such reduction of Artist's receipt thereof by providing Producer with specific reasons for such disapproval, such changes shall be deemed approved.

Bloopers / outtakes / behind-the-scenes footage: Any use of bloopers, outtakes and/or behind-the-scenes footage from in which Artist appears shall be subject to Artist's prior written approval.

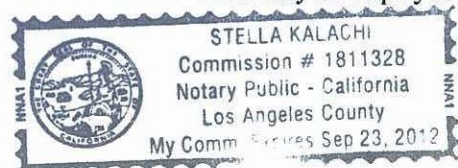
Hair / Make-Up / Wardrobe: Artist shall have reasonable consultation rights with respect to the look of Artist's hair, make-up and wardrobe, and with respect to Artist's hair, make-up and wardrobe personnel.

**NUDITY:** There will be no nudity required of Artist and no nude doubling of Artist in the Picture.

**PREMIERE:** Producer shall invite Artist and Artist's guest to attend all celebrity premieres and festivals of the Production arranged by Producer, if any. If Artist attends the first such celebrity premiere or festival, and if such premiere is more than fifty (50) miles away from Artist's principal place of residence (currently which is Los Angeles, CA), then in connection with such premiere or festival, Artist and Artist's guest shall be entitled to (if available and if used for such purpose) first class round-trip air transportation from Artist's then principal place of residence to such premiere or festival, first class accommodations, a reasonable non-accountable per diem and first class exclusive ground transportation.

**DVD:** If Lender and Artist perform all material services required of Lender and Artist by Producer, if Lender and Artist are not in material uncured breach hereof, and if and when the Production becomes generally commercially available on DVD, at Lender's and/or Artist's request, Producer shall provide Artist with one (1) DVD for Artist's personal use only, subject to any then-existing Motion Picture Association of America or other industry-wide practices which may restrict Producer's ability to furnish same, and further provided that the Production's distributor receives a copy of a customary DVD restriction documentation signed by Artist and Artist.

**MERCHANDISING:** Producer shall own the exclusive merchandising and commercial tie-up rights in and to the Role. Any use by Producer of Artist's name, voice, photograph and/or likeness in connection with any merchandising or commercial tie-ins shall be subject to Artist's prior written consent and separate negotiation for a royalty in connection therewith, with such royalty to be negotiated in good faith. Notwithstanding the foregoing, posters furnished to exhibitors only for display or



promotion of the Picture, advertisements, jackets/inserts of videodiscs and cassettes, printed programs and novelizations of the story of the Picture, other publications relating to distribution and exhibition of the Picture, exhibition of any TV spot, EPK, trailer or promotional film for the Picture and inclusion of Artist's name in the artwork or billing block or approved likeness in the artwork of any of the foregoing shall be deemed to not constitute merchandising, and such use shall be permitted hereunder. Nothing herein shall prevent or restrict Producer from any product placement in the Picture, provided that, Artist shall have the right to approve any direct handling or mention of a product by Artist. Producer may not use Artist's voice on any soundtrack for the Picture without a separate agreement between Producer, Lender and Artist, to be negotiated in good faith.

**INSURANCE:**

Producer shall add Lender and Artist as additional insureds under Producer's general liability insurance, errors and omissions and worker's compensation insurance for the Production, which shall be subject to the terms, conditions and limitations of such coverage.

**FOREIGN TAX  
INDEMNITY:**

To the extent foreign taxes exceed what Lender or Artist would be required to pay in the United States, Producer agrees to pay this excess amount on behalf of Lender and/or Artist.

**DIRECTOR:**

The director of the Production is Mario Van Peebles.

**REPRESENTATIONS  
& WARRANTIES:**

Artist and Producer shall make customary representations and warranties and same shall be subsequently recited in the long form agreement, if any.

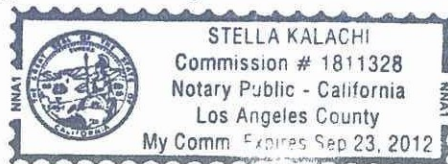
**GENERAL  
PROVISIONS:**

Producer is not obliged to use Artist's services or any part of the results and proceeds thereof or to make, produce, release, distribute or exploit the Production and failure to do so shall not be deemed a breach of this Agreement. If Producer elects not to use Artist's services, Producer's sole obligation to Artist shall be limited to payment of Fixed Compensation and, if applicable, Overage Compensation, as set forth above.

Fixed Compensation shall be subject to all deductions and withholdings by Producer pursuant to the SAG Agreement including any and all withholding taxes. No withholding taxes are contemplated for work done outside the United States.

Producer shall have the right to assign this Agreement in whole or in part, in any manner to any person, firm or corporation that it shall determine. Producer will remain secondarily liable unless this Agreement is assigned to a major or mini-major studio or television network which assumes all of Producer's obligations in writing. Neither Lender nor Artist shall have the right to assign this Agreement, except for the right to receive payment which Lender and/or Artist may freely assign.

Artist's grant of rights pursuant to this Agreement shall survive the termination of this Agreement. Producer's credit, indemnity and insurance obligations shall survive termination of this Agreement. No breach of Producer's obligations under this Agreement shall entitle Lender and/or Artist to equitable remedies and Lender's and/or Artist's rights shall be limited to the right, if any, to obtain damages at law.



All notices required or desired to be given to any party hereto pursuant this Agreement shall be given by addressing the same to such party at the address set forth above in the first page of this Agreement, or at such address as may be designated in writing by such party in a notice to the other party given in the manner described in this paragraph. All such notices required hereunder shall be in writing, facsimile or electronic transmission and if mailed by pre-paid first class, either certified or registered mail and shall be deemed to have been given on the third (3rd) business day after its posting (if mailing is the only form of giving notice) or if by hand delivery or facsimile or electronic transmission, on the day of such hand delivery or facsimile or electronic transmission. If hand delivered to Artist, Producer will also send courtesy copies to Artist's Manager, Agent and Lawyer. Courtesy copies of all notices hereunder shall be sent in the same manner to:

Courtesy Copies to:     **Manager:**

Matt Luber  
Luber Rocklin Entertainment  
8530 Wilshire Blvd Suite 550  
Beverly Hills CA 90212

**Lawyer**

David Krintzman, Esq.  
Morris, Yorn, Barnes, & Levine  
2000 Avenue of the Stars  
3rd Floor, North Tower  
Los Angeles, CA 90067  
310-319-3937

Please confirm your acceptance of the terms and conditions herein by signing a copy of this Agreement and returning a copy to Producer. This Agreement shall constitute a valid and binding contract between the parties.

**DATED** as of October 13, 2008

AGREED TO AND ACCEPTED:

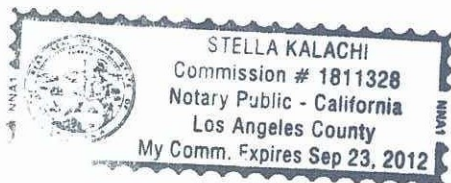
**KEROSENE COWBOYS, INC.**

By: [Signature]

Its: president

Jacob Vargas

[Signature]  
Third Son Prod., Inc.  
By: [Signature]  
Its: president



**Schedule "A"**

**Standard Terms and Conditions**

Any terms capitalized herein without further definition have the meaning provided for them in the actor agreement ("Agreement") made between Kerosene Cowboys, Inc. ("Producer") and Third Son Prod., Inc. ("Lender") for services of Jacob Vargas ("Artist") as of October 13, 2008. If there is any conflict between these standard terms and conditions and the Agreement, the Agreement shall govern.

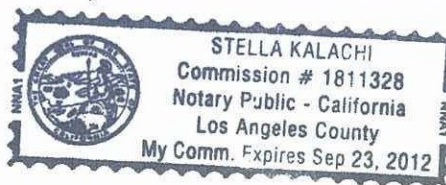
**A. Ownership and Rights Granted.** Lender and Artist agree that Producer and its licensees, successors and assigns shall own, forever and throughout the universe, all rights of every kind and nature in and to the results and proceeds of Artist's services hereunder (all of which shall be deemed a "work-made-for-hire" for Producer), including without limitation the right to dispose of in any manner and through any media any and all such results and proceeds, and all copyrights pertaining thereto and extensions and renewals thereof.

The results and proceeds of Artist's services hereunder may only be used in this Picture and may not be used in any other production. To the extent necessary to fully vest all such rights in Producer, Artist hereby irrevocably grants, assigns and transfers to Producer any and all such rights not so vested in Producer. Further, Producer may sell, use, license and otherwise exploit the Picture, such results and proceeds and/or any portion or element thereof throughout the universe (alone or combined with other material), by means of television, theatrically, non-theatrically, on cassettes, discs and/or in any other manner, method, or medium, whether now known or hereafter devised. Without limiting the generality of the foregoing, Producer may produce and license the Picture for initial broadcast, or for rebroadcast, on a network basis, in syndication or otherwise, in its presently contemplated length or a longer or shorter version or combined with other material as a longer program. Producer shall have the right to produce, cut, edit, add to, subtract from, arrange, rearrange and revise in any manner the Picture and all materials relating thereto performed, composed, submitted or interpolated by Artist hereunder. Neither the expiration nor termination of this Agreement shall affect Producer's ownership of the Picture or the results and proceeds of Artist's services or Producer's other rights hereunder.

**B. Advertising and Exploitation Rights.** Artist grants to Producer and its licensees, successors and assigns, forever and throughout the universe, the

exclusive right to use the results and proceeds of Artist's services for any and all purposes whatsoever, including without limitation those described below, and the non-exclusive right to use Artist's name, approved photograph, approved likeness, voice and/or approved biography in and in connection with the advertising, promotion and exploitation of the Picture, or any part thereof, and the exploitation of any right in connection therewith or derived therefrom, for informational purposes, "institutional advertising" of any broadcaster of the Picture and its licensees and assigns, all products, commodities and/or services including without limitation so-called commercial tie-ups (as that term is commonly known and utilized in the motion picture industry) relating to the Picture and the advertising, publicity and promotion of any of the foregoing, provided that with respect to such commercial tie-ups, Artist shall not be represented as using, consuming or endorsing any product, commodity or service without Artist's consent. In no event shall Artist's name or likeness be used in connection with firearms, alcohol, tobacco, personal hygiene, religion and politics. Notwithstanding anything to the contrary, the exhibition of the Picture by any media, even though a part of or in connection with a commercially sponsored program, shall not be deemed an endorsement of any nature.

**C. Merchandising.** Subject to approvals in the Agreement, Producer shall own the exclusive merchandising, commercial tie-up, and publishing undertaking right whatsoever in and to the Role throughout the universe; provided that use by Producer of Artist's name, voice, photograph and/or likeness in connection with any merchandising or commercial ties shall be subject to Artist's prior written consent. Notwithstanding the foregoing, posters furnished to exhibitors only for display or promotion, advertisements, jackets/inserts of videodiscs and cassettes, and distribution of promotional material and exhibition of any TV spot, trailer or promotional film for the Picture, and inclusion of Artist's name in the





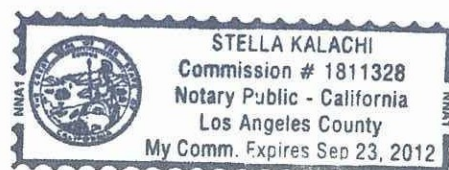
artwork or in the billing block or likeness in the artwork of any of the foregoing shall not be deemed to constitute merchandising, and such use shall be permitted hereunder. Nothing herein shall prevent or restrict Producer from any product placement in the Picture, provided that, Artist shall have the right to approve any direct handling or mention of a product by Artist.

**D. Warranties and Indemnification.** Lender and Artist warrant that neither Lender nor Artist has made and will not make any commitment in conflict with this Agreement; that all material furnished by Artist is wholly original with Artist except to the extent such material may be taken from material in the public domain or furnished by Producer, and, to the best of Artist's knowledge upon the exercise of due diligence, that no material furnished by Artist will violate or infringe upon any right whatsoever of any person, firm or corporation. Artist hereby agrees to indemnify Producer and Producer's successors, licensees and assigns against all losses, costs (including without limitation reasonable outside attorneys' fees), liabilities and claims of any nature arising from any material uncured breach of any agreement or warranty made by Artist. In the event of a material, uncured breach of this Agreement by Artist, Producer shall be entitled to seek legal, equitable and other relief against Artist as Producer may in its sole discretion determine. Producer agrees to indemnify, defend and hold harmless Lender and Artist and Lender's and Artist's successors, licensees and assigns from and against all damages, losses, costs, and expenses (including reasonable outside attorneys' fees and costs) which Lender and/or Artist or any of Lender's and/or Artist's successors, licensees or assigns may suffer or incur by reason of the breach of any of the warranties, representations, or agreements made pursuant to any agreement entered into in connection herewith and/or which arise in connection with any material incorporated into the Picture by or at the direction of Producer and/or from the development, production, distribution and/or exploitation of the Picture (including any ancillary or derivative rights thereto).

**E. Loan-Out Corporation.** As the services of Artist hereunder are being furnished by a corporation, , such corporation hereby agrees to furnish to Producer the services of Artist, and to grant to Producer the rights and benefits set forth herein, in accordance with all of the terms and conditions contained herein and otherwise to abide by such terms and conditions. In such event, the following additional terms and conditions shall also

apply: (i) Artist represents and warrants that such corporation is a duly organized and existing corporation and is presently in good standing under the laws of the State, Province, or other jurisdiction of its incorporation; that such corporation has a valid, binding and subsistent written employment agreement with Artist pursuant to which Artist is obligated to render Artist's services exclusively to such corporation for at least the full term of this Agreement; that such corporation is exclusively entitled to and controls all rights in and to the results and proceeds of Artist's services granted to Producer hereunder; that such corporation has, and will maintain at all times while Artist is rendering services hereunder, workers' compensation insurance as required by law; and that such corporation has the full right and authority to enter into this Agreement and grant the rights herein granted; (ii) Producer shall pay directly to such corporation all of the compensation that would have been payable to Artist had Producer employed Artist directly and such corporation will fully perform and discharge, and Producer shall have no responsibility or liability on account of, any obligations of an employer with respect to Artist and Artist's services hereunder, including, but not limited to, the withholding and/or payment of any sums required to be withheld and/or paid by such employer to any governmental authority; (iii) if such corporation should be dissolved or otherwise cease to exist or for any reason whatsoever fail or neglect to perform or comply with any of the terms and conditions of this Agreement, Artist may at Producer's election be deemed to be employed directly by Producer for the balance of the term hereof upon the terms and conditions set forth herein; (iv) in the event of a material, uncured breach of this Agreement by such corporation and/or Artist, Producer shall be entitled to seek legal, equitable and other relief against such corporation and/or Artist as Producer may in its sole discretion determine; and (v) Producer shall have all rights and remedies against Artist which Producer would have if Artist were directly employed hereunder by Producer, and Producer shall not be required first to resort to or exhaust any rights or remedies which Producer may have against such corporation before exercising Producer's remedies against Artist.

**F. Remedies.** Artist hereby expressly recognizes that in the event of a failure or of an omission by Producer constituting a breach of Producer's obligations of this Agreement, the damage (if any) caused Artist by Producer thereby is not irreparable or sufficient to entitle Artist to injunctive or other equitable relief. Consequently, Artist's rights and remedies in the event



of a failure, omission or default constituting a breach by Producer under the terms of the present Agreement, shall be limited to Artist's rights, if any, to recover damages in an action at law, and in no event shall Artist be entitled by reason of any such breach to rescind this Agreement or any of the rights granted to Producer hereunder, or to enjoin or to restrain the distribution or exhibition of the Picture.

Artist acknowledges and agrees that the services to be rendered by Artist hereunder are of a special, unique, unusual, extraordinary and intellectual character, making them difficult to replace and giving them a particular value, the loss of which cannot be reasonably compensated in damages in an action at law; that if Artist breaches any provision of this Agreement, Producer will be caused irreparable harm; and that, therefore, Producer shall be entitled, as a matter of right, at its election, to seek to enforce this Agreement and all of the provisions hereof by injunction or other equitable relief.

The remedies herein provided shall be deemed cumulative and the exercise of one shall not preclude the exercise of any other. Artist specifically agrees that Producer may seek to recover by appropriate action the amount of the actual damage caused Producer by any failure, refusal or neglect of Artist to keep and perform Artist's agreements, representations and warranties herein contained. No waiver by either of the parties hereto of any failure by the other party to keep or perform any covenant or condition of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same, or any other, covenant or condition.

**G. Insurance.** Artist shall assist Producer in securing customary insurance by submitting to customary medical examinations and by signing such instruments as may be reasonably required in connection therewith.

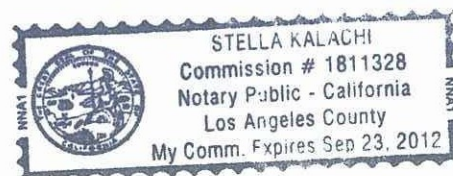
In the event Artist fails to qualify for such insurance at customary rates, Producer shall provide Lender and/or Artist the opportunity to pay such increased amount over the customary insurance rates; however, the failure of Lender or Artist to pay such increased amount over the customary insurance rates shall not be deemed a breach of this Agreement by Lender or Artist. If neither Lender nor Artist pays the increased amount over the customary rates, Producer shall have the right to terminate this Agreement.

**H. Transportation and Living Expenses.** Artist shall use the method, means and devices of transportation furnished or designated by Producer in connection with any travel that Artist is required to undertake pursuant to the terms of this Agreement. From the date hereof until the completion of all services required of Artist, Artist shall not travel in an aircraft other than as a passenger on a regularly scheduled commercial airline. For the period during which Artist is rendering services at any overnight location(s), Producer shall furnish to Artist living accommodations and per diem in accordance with the terms of this Agreement.

**I. SAG Agreement.** This Agreement is subject to the SAG Agreement. Producer is a signatory in good standing to the SAG Agreement and will pay all required contributions on Artists behalf as are required by SAG. Except as expressly provided herein, Producer shall be entitled to the maximum benefits provided for in the SAG Agreement. To the extent any provision of this Agreement conflicts with the mandatory provisions of the SAG Agreement or any applicable law or regulation, the latter shall prevail; provided, that the provision(s) of this Agreement so affected shall be limited only to the minimum extent necessary to comply with such SAG Agreement, law or regulation. In the event the SAG Agreement requires the payment of compensation to Artist in addition to that provided herein, such additional compensation shall be paid at the minimum applicable rates specified in said SAG Agreement.

**J. Communications Act.** Reference is made to Section 507 of the United States Federal Communications Act which provides, in part, as follows:

"[A]ny person who, in connection with the production or preparation of any program or program matter which is intended for broadcasting over any [television] station, accepts or agrees to accept, or pays or agrees to pay, any money, service or other valuable consideration for the inclusion of any matter as a part of such program or program matter, shall, in advance of such broadcast, disclose the fact of such acceptance or payment or agreement to the payee's employer, or to the person from whom such program or program matter is being produced, or to the licensee of such station over which such program is broadcast....[A]ny person who supplies to any other person any program or program matter which is intended for broadcasting over any [television]



station shall, in advance of such broadcast, disclose to such other person any information of which he has knowledge, or which has been disclosed to him, as to any money, service or other valuable consideration which any person has paid or accepted, or has agreed to pay or accept, for the inclusion of any matter as part of such program or program matter."

Artist acknowledges that Artist is familiar with the requirements of said Section and is aware that the violation of any of the provisions thereof constitutes a criminal offense. Artist represents and agrees that Artist has not violated and will not violate any of the provisions of said Section, and that Artist has not and will not do any act which would require disclosure pursuant to said Section.

**K. Breach; Disability; Force Majeure**

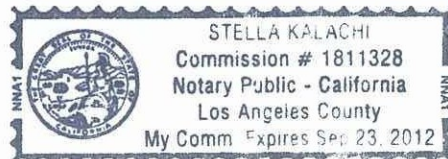
(i) Suspension. The running of time under this Agreement and Producer's obligations hereunder shall be automatically suspended upon the occurrence and during the continuance of any of the following contingencies (the "Suspension Events"), and for a period thereafter reasonably sufficient to enable Producer to resume utilization of Artist's services: (a) If Artist shall commit a material uncured breach of this Agreement, (hereinafter referred to as "Default"); or (b) If Artist shall be prevented from, or interfered with, in the rendition of services by illness, physical or mental disability, accident, military service or other cause which would make Artist's failure to render services excusable at law, or if Artist becomes physically disfigured (hereinafter referred to as "Disability"). Producer shall have the right to lift any suspension hereunder at any time prior to the cessation of the event giving rise to such suspension. Producer will only have the right to suspend Artist one time (1) per Suspension Event. Artist shall not be suspended during a Suspension Event unless all other similarly situated cast members are also suspended for and during the same suspension event. If any other cast member is reinstated following the cessation of the Suspension Event, then so shall Artist subject to his then professional availability.

(ii) Cure. In the event of any breach by Artist, Producer shall provide notice of breach to Artist, and Artist shall have a period of ten (10) business days in which to cure such breach, prior to any remedy exercised by Producer hereunder.

(iii) Extension; Reduction. Producer may extend the period for which Artist is employed hereunder, and all dates, for a period equal to all or any part of the period during which any suspension continues hereunder by written notice given to Artist on or before the later of (a) the expiration of such period of employment, (b) the termination of such suspension, or (c) ten (10) days after the end of the Default or Disability. During a Suspension Event, the amount of such guaranteed compensation due Lender, may be reduced by an amount equal to the period of such suspension and by the amount of guaranteed compensation applicable to such period of suspension, respectively. Producer will resume payments to Lender immediately upon notification to Artist that the suspension has been lifted. However, if any other cast member is paid during a Suspension Event, then so shall Lender in full.

(iv) Termination. Producer may terminate this Agreement at any time if a Suspension Event lasts longer than four (4) consecutive weeks or six (6) weeks in the aggregate or within four (4) weeks following the end of such Suspension Event or the Default or Disability giving rise thereto. A termination under this subparagraph or otherwise shall relieve Producer from all of its obligations hereunder; provided, however, that if such termination is due to a reason other than Artist's Default, then Producer shall not be relieved of its obligation to compensate Artist for services rendered prior to the date of such termination. Producer's credit, indemnity and insurance obligations under this Agreement shall survive termination of this Agreement.

**L. Miscellaneous.** Producer shall have the right at any time to assign or otherwise transfer this Agreement, in whole or in part, or any or all of Producer's rights or obligations hereunder to any person or other entity. Producer shall remain secondarily liable unless Producer assigns this Agreement to a major or minor studio or television network which assumes all of Producer's obligations in writing. This Agreement shall be binding upon and shall inure to the benefit of the respective successors, licensees and assigns of Producer and Artist; provided that the services to be rendered by Artist hereunder are of the essence of this Agreement and such services shall not be delegated to any other person or entity. This Agreement expresses the entire understanding of the parties with respect to the subject matter hereof. No modification of this Agreement shall be valid unless in writing and signed by the party to be charged with such modification.



Schedule "B"

Conditions of Engagement of Artist

If there is any conflict between this Schedule B and the agreement between Kerosene Cowboys, Inc. and Third Son Prods, Inc. f/s/o Jacob Vargas, dated as of October 13, 2008 (the "Agreement"), the Agreement shall govern.

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In these conditions the expression "Artist" and words importing the masculine gender shall be construed as feminine where applicable and the singular shall include the plural.

1. The Artist will:

(a) render to the best of his skill and ability and on a first priority basis during the Period of Engagement all such services as are usually rendered by a film or television actor of first class repute for the purpose of playing the Role at such times and places and in such manner as the Producer may reasonably require during the production of the Picture;

(b) wear such clothes, wigs and make-up and his hair in such styles as the Producer may reasonably require;

(c) not without the prior written consent of the Producer, make any statement or supply any confidential information which is identified as such, relating to the Picture or the terms hereof or to the Artist's services hereunder or to the affairs of the Producer (but this shall not prevent proper disclosures of information to the Artist's professional advisers); Artist shall not need to obtain the prior written consent of Producer in order to make incidental, non-derogatory references to the Picture relating primarily to Artist's personal publicity.

(d) comply with all reasonable rules and regulations made by the Producer;

(e) keep the Producer reasonably informed of the Artist's whereabouts and telephone number;

(f) use his reasonable good faith efforts to attain and maintain such a state of health as will enable the Artist to render his services hereunder as effectively as possible and as will enable the Producer to effect insurance on normal terms on the Artist against loss arising from his inability to perform the said services and make true and accurate replies and statements for

the purpose of any such insurance;

(g) at a reasonable time when so required attend and submit to such usual and customary medical examination as the Producer or its medical advisers deem necessary for the Producer's insurance purposes including self-insurance and the Artist shall be entitled at his own cost and expense to have his own physician present at any such examination. The Artist will have no right, title or interest in or to such insurance;

(h) not voluntarily engage in any hazardous pursuit nor take any risk, the taking of which would invalidate or affect any normal policy of insurance on the life or health of the Artist or might interfere with the Artist's performances hereunder nor (except with the consent of the Producer) fly otherwise than on a scheduled airline of a major carrier from the date two (2) weeks before the starting date until completion of all services required of the Artist hereunder;

(i) upon completion of his services hereunder return to the Producer in good condition (fair wear and tear excepted) all property and wardrobe provided by the Producer which is the property of the U.S. or Russian government. Upon the completion of the production of the Picture, Artist shall have the right to keep any wardrobe and/or equipment made specifically for the Picture at no charge to Artist;

(j) not at any time whether during or after the subsistence of this Agreement, take part or be concerned in the performance broadcasting or recording of any words music or actions that form part of the Role hereunder;

(k) not incur any liability on behalf of the Producer nor pledge its credit nor represent that he is entitled to do so;

