

"HATCHET III"

Independent Contractor Agreement/CREW

On 5/30/2012 (DATE), **H3 EXPORTS LLC, LLC** (referred to as "Company") hereby engages the services of DJ Phillips (referred to as "Contractor") as an independent contractor, upon the terms and conditions herein set forth in connection with the motion picture tentatively entitled "**HATCHET III**" (the "Picture").

1. **CONDITIONS PRECEDENT:** Company has no obligation to perform under this Agreement unless and until Company receives: (i) an executed original of this Agreement, in form and substance acceptable to Producer, signed by Contractor; (ii) a completed form W-9; and (iii) all documents required by the Immigration Reform and Control Act of 1986, including a completed form I-9.

2. **SERVICES:** Company hereby engages the service of Contractor as a DIT and Contractor hereby agrees to perform his/her services for the Company in connection with the Picture. Contractor agrees to render services hereunder as required by Company in all matters, including, but not limited to, those involving artistic taste and judgment, whenever and wherever Company may require, but there shall be no obligation on Company to actually utilize Contractor's services, or the results and proceeds thereof, nor to develop, produce, release, distribute or otherwise exploit the Picture, or any element thereof.

3. **TERM:** Contractor will commence performance of services as of 5/30/12 (the "Effective Date") and will continue until services are completed or until Company elects to terminate the services (the "Term"). Unless expressly provided elsewhere in this Agreement, Contractor's services hereunder shall not be for a "run of the show" or for any guaranteed period of time. Company reserves the right to discharge Contractor at any time, for any reason, subject only to the obligation to pay the balance of any compensation which may be due. This Agreement is subject to immediate suspension and/or termination at Company's sole election without further obligation on the part of Company in the event of any incapacity or default of Contractor or in the case of any suspension, postponement or interference with the production by reason of labor controversy, strike, earthquake, act of God, governmental action, regulation, or decree or for any other customary force majeure reason. In the event that Company ceases production of the Picture, this Agreement will terminate as of the last day of production. Company will use reasonable business efforts to give prior notice to Contractor of such cessation of production.

4. **COMPENSATION:**
 - a) **Fixed Compensation:** Upon the condition that all of the terms and conditions of this Agreement to be kept or performed by Contractor and that Contractor shall not be in default hereunder, in full consideration of all services to be rendered by Contractor, all rights now or hereafter to be granted by Contractor and all warranties, representations and agreements made by Contractor hereunder, Company shall pay to Contractor the following compensation ("Compensation"):
 - i. Rate: \$ 175.
 - ii. Additional: _____.
 - b) **Payment of Compensation:** Fees shall be paid to Contractor after Company's receipt of invoice from Contractor. Payments may be reasonably delayed by reason of an intervening federal or state holiday.
 - c) **Flat Fee Basis:** Contractor understands and agrees that the Compensation as hereinabove specified is a "flat fee" and Contractor shall not be entitled to any additional and/or so-called "overage" compensation for any services rendered by Contractor during the development, pre-production, or production of the Picture. No additional compensation shall be payable to Contractor for the rendering of services at night, weekends, sixth days, seventh days, or holidays.

5. **RESULTS AND PROCEEDS:** The results and proceeds of Contractor's services hereunder, including without limitation, all material composed, submitted, added, created, or interpolated by Contractor hereunder (hereafter the "Work"), which Contractor acknowledges may have been or may be rendered in collaboration with others, are a work-made-for-hire, specifically ordered by Company. Contractor hereby further acknowledges that all of the Work has been

Contractor Initial DJ
Company Initial _____

paid for by Company and is the sole property of Company for any and all purposes whatsoever. Notwithstanding the foregoing, Contractor hereby assigns and/or grants all rights, including all exclusive exploitation rights, of every kind and nature (including any and all copyrights and neighboring rights, to the extent such assignment is allowed by law) in and to such Work to Company. All rights to such Work are owned by Company solely and exclusively, for the duration of the rights in each country and area and space, in all languages, and throughout the universe. Contractor and Company are aware and hereby acknowledge that new rights to the Work may come into being and/or be recognized in the future, under the law and/or in equity (hereafter the "New Exploitation Rights"), and Contractor intends to and does hereby grant and convey to Company any and all such New Exploitation Rights to the Work granted by Contractor hereunder. Contractor and Company are also aware and do hereby acknowledge that new (or changed) technology, uses, media, formats, modes of transmission and methods of distribution, dissemination, exhibition or performance (hereafter the "New Exploitation Methods") are being and will inevitably continue to be developed in the future, which would offer new opportunities for exploiting the Work. Contractor intends and does hereby grant and convey to Company any and all rights to such New Exploitation Methods with respect to the Work. Contractor hereby agrees to execute any document Company deems in its interest to confirm the existence of the preceding and to effectuate its purpose to convey such rights to Company, including without limitation the New Exploitation Rights and any and all rights to the New Exploitation Methods. Contractor hereby waives throughout the universe the benefits of any law, doctrine or principle known as "droit moral" or "moral rights of authors" or any similar law, doctrine or principle however denominated to the maximum extent permitted by any such law, doctrine, or principle.

Neither the suspension nor termination of Contractor's services nor the expiration of this Agreement shall in any way adversely affect Company's ownership of the Work.

Contractor hereby releases and discharge Company, Company's employees, agents, licensees, successors and assignees from any and all claims, demands or causes of action that Lender and/or Contractor may now have or may hereafter have for libel, defamation, invasion of privacy or right of publicity, infringement of copyright or violation of any other right arising out of or relating to any utilization of the Work or based upon any failure or omission to make use thereof.

6. EXPENSES/PURCHASES: Contractor will be held personally responsible for purchases, rentals, and expenses not approved in advance in writing by Company. Reimbursement for pre-approved expenses will be made upon Company's receipt of detailed vouchers accompanied by written receipts.
7. HOTEL CHARGES & TRAVEL: In the event Company provides Contractor with hotel accommodations, Company shall only be responsible for the room rate and taxes, and Contractor shall be responsible for all other related hotel charges. Contractor will only be compensated for days when services described in section 2 above are performed. No compensation will be given for so called 'travel days'.
8. INSURANCE: Company shall not be liable for any damage or loss to Contractor's equipment or tools used while Contractor is performing services hereunder. Contractor shall be responsible for any uninsured loss of or damage to Contractor's personal property or any uninsured personal injury to Contractor. Use of a vehicle by Contractor not provided by Company shall be at Contractor's risk and Contractor shall be responsible for any loss, damage, or personal injury to third parties or to Contractor caused while using such vehicle and it shall be Contractor's responsibility to maintain customary insurance to cover such risks.
9. ALCOHOL/DRUG FREE WORKPLACE/SEXUAL HARASSMENT: In conformance with federal laws regarding a drug-free workplace, Contractor agrees that Contractor will not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in the workplace. Contractor understands that violation of this provision may result in the immediate termination of this Agreement. Use of alcohol or drugs during hours of engagement is grounds for Contractor's immediate termination. In addition to the foregoing, Contractor acknowledges that flagrant violation of safety rules, sexual harassment and/or discrimination due to gender, race, orientation, or creed, will not be permitted and constitutes grounds for immediate termination of this Agreement.
10. RECOVERABLES: Contractor shall be responsible for returning in a timely manner to Company on or before completion of the Picture, all materials, equipment, and other items owned or rented by, or otherwise in the possession of

Contractor Initial *df*
Company Initial _____


Company, its agents, assigns or licensees or purchased with Company's funds ("Recoverables"). Contractor acknowledges and agrees that work originating or created in connection with the production of the Picture, including, without limitation, correspondence and documents, shall be the exclusive property of Company and any disclosure or use thereof by Contractor shall be deemed a material breach hereof. Recoverables shall include, without limitation, props, wardrobe, equipment, tools, materials, supplies, and film stock.

11. **CREDIT:** All matters relating to credit, including without limitation the placement, position, form and nature of credit (including without limitation the name) to Contractor shall be at Company's sole discretion. For clarity, Company shall have sole discretion on placement of credit to Contractor, if any, with reference to the Picture, billing block and paid and excluded advertisements. Company shall at its sole discretion determine the exact size, nature, style, color, and placement of credit accorded to Contractor, if any. No casual or inadvertent failure by Company or others to comply with the credit provision of this Agreement shall be deemed a breach of the Agreement, nor shall failure by any third party to accord any credit to Contractor hereunder constitute a breach of this Agreement.

12. **LOANOUT COMPANY (if applicable):** In the event Contractor's services hereunder are rendered through a loan-out company ("Lender"), the following provisions shall apply:

- a) All references to "Contractor" in this agreement shall be deemed to be references to Lender and Contractor jointly.
- b) Lender and Contractor represent and warrant that Lender has the full right, power and authority to enter into this agreement and grant the rights granted to Company herein without the consent of any third party, and that neither Lender nor Contractor is subject to any conflicting obligation or any disability which will or might prevent Lender or Contractor from the performance of this Agreement.
- c) Payments of compensation hereunder will be made to Lender and not to Contractor. In the event Company is subjected to any expenses or other liability by reason of a failure to withhold, report or pay taxes in connection with the compensation payable hereunder, Lender and Contractor shall indemnify and hold Company harmless there from.
- d) Contractor confirms that (i) Contractor has read and understands the Agreement, and (ii) Lender has the authority to grant the rights and furnish Contractor's services in accordance with the provisions hereof. Further, as a material inducement to Company, Contractor agrees to abide by and be personally bound by the terms and provisions of this Agreement as if Contractor were a direct party hereto, and to look solely to Lender for payment of all compensation due Contractor in connection with Contractor's services and grant of rights hereunder.

13. **INDEPENDENT CONTRACTOR:** The relationship of Contractor to the Company shall be exclusively that of an independent contractor and not that of an agent, partner, joint venturer, or employee. As an independent contractor, Contractor shall be a fiduciary with respect to matters within the scope of its engagement, and shall have (but not be limited to) the following fiduciary duties: The duty not to act as, or on account of, an adverse party without the Company's express written consent, and the duty not to compete with the Company on its own accounts, or for any other, in matters relating to the scope of its engagement with the Company. Contractor shall have no right or authority to make any contracts, agreements or commitments in the name of or for the account of the Company, nor to accept any orders on behalf of the Company, nor to assume or create any obligation or liability of any kind, express or implied, on behalf of the Company, nor to make any representation or warranty, express or implied, on behalf of the Company, without prior written authorization signed by an officer of the Company. **CONTRACTOR SHALL NOT BE COVERED BY, ENTITLED TO PARTICIPATE IN OR RECEIVE ANY BENEFITS OF ANY RETIREMENT, PENSION, PROFIT SHARING, STOCK OPTION, BONUS, HOSPITALIZATION, VACATION, INSURANCE (NOT INCLUDING WORKMEN'S COMPENSATION; WORKMEN'S COMPENSATION POLICY WHICH WILL BE PROVIDED BY THE COMPANY FOR ALL INDEPENDENT CONTRACTORS), DISABILITY OR SIMILAR PLAN, ARRANGEMENT OR BENEFIT MAINTAINED BY THE COMPANY FOR ITS EMPLOYEES. AS AN INDEPENDENT CONTRACTOR, CONTRACTOR UNDERSTANDS THAT HE/SHE IS NOT AN EMPLOYEE OF COMPANY AND THEREFORE IS NOT ENTITLED TO ANY BENEFITS ACCORDED TO EMPLOYEES IN THE STATE OF CALIFORNIA AND THEREFORE EXPRESSLY WAIVES THE RIGHT TO FILE A CLAIM AGAINST COMPANY FOR UNEMPLOYMENT THROUGH THE CALIFORNIA EDD, CALIFORNIA LABOR BOARD OR ANY OTHER ORGANIZATION INTENDED FOR EMPLOYEES AND NOT INDEPENDENT CONTRACTORS.** Contractor warrants that Contractor will make all

Contractor Initial 
Company Initial _____

necessary payments due appropriate governmental agencies to comply with the foregoing and indemnify Company against all claims, liabilities, costs, or expenses that may arise out of breach of the foregoing.

14. OBLIGATIONS OF THE CONTRACTOR: Contractor will be issued a 1099 for services. The Company shall not be obligated to withhold taxes payable to Federal, State or Local authorities, including FICA contributions, and shall be responsible only for the determination and payment of the entire fee to which Contractor is entitled per job contracted with the Company. Accordingly, Contractor shall be responsible for the payment of all Federal, State and Local taxes (including but not limited to FICA taxes), providing all necessary insurance (including but not limited to unemployment) and making all required records and reports relating to all engagements contracted with the Company. Contractor shall also provide and obtain all licenses and certificates necessary, if any, for Contractor's services. Contractor's services shall comply with all Federal, State and Local laws and regulations. Contractor retains exclusive control over the means and methods of performance of its services except as provided herein. Contractor's services shall meet the standards normally accepted in the entertainment industry. Contractor is not and will not become a party to any contract or agreement and is not and will not become subject to any law, rule, or regulation inconsistent with its obligation to the Company. Contractor's obligation to the Company is to complete the services described when contracted (for any individual job) and to meet any deadlines set forth by the Company. Contractor has no obligation to work any particular hours or days or any particular number of hours or days, except as specified in this Agreement. Naturally, Contractor retains the right to contract for similar services with other businesses or individuals. The Company agrees that it will have no right to control or direct the details, manner, or means by which Contractor accomplishes the results of the services performed for the Company.

15. IMMIGRATION REFORM AND CONTROL ACT OF 1986 (IRCA): Contracting (or the engagement of services) hereunder is subject to Contractor providing the requisite documents required by IRCA and completing and signing the required Form I-9 pursuant to IRCA Section 274a.2. Contractor shall comply with the immigration verification contracting eligibility provisions required by law.

16. FORCE MAJEURE/ILLNESS/INCACITY: Company shall not be obligated to pay Contractor any compensation in respect to any periods that Contractor does not actually render services hereunder because of illness, incapacity, default, or force majeure event (collectively a "Suspension Event") and Company may extend the term of the Agreement and Contractor's services required hereunder by the length of time of any such Suspension Event. A force majeure event shall be defined as any labor dispute, fire, war or governmental action, or any other unexpected or disruptive event beyond Company's control which hampers or prevents Company's ability to develop, produce, promote, distribute and/or otherwise exploit the Picture.

17. COMPANY'S OBLIGATIONS: Company shall not be required to utilize Contractor's services hereunder or to utilize in any manner any of the results and proceeds of Contractor's services, or to produce, release, market, distribute or otherwise exploit any motion picture, or any other production in connection with which Contractor renders services hereunder. Nothing herein shall be deemed to relieve Company of its obligation to pay Contractor the compensation payable to Contractor for the period set forth above during which Contractor is actually rendering services hereunder, subject, however, to such rights of suspension, extension and termination as are contained herein.

18. EXCLUSIVITY: During the Term of this Agreement, Contractor's services will be on a non-exclusive, first priority basis, and will or will not engage in any other activity either on a third party's or his/her own behalf inconsistent with the performance of Contractor's services hereunder.

19. NON-UNION: Contractor acknowledges that the Picture is a non-union production. In the event that the Picture becomes a union production, all terms of the applicable union agreement shall govern and be incorporated into this Agreement. If any term of this Agreement is less favorable to Contractor than the applicable union agreement, the parties agree that the terms of the applicable union agreement shall control. All payments received by Contractor in accordance with Paragraph 3 above, shall be applied to the compensation required under the applicable union agreement.

20. GENERAL PROVISIONS:

Contractor Initial *DA*
Company Initial _____

- a) WARRANTIES: Contractor warrants that Contractor is free to enter into this Agreement and is not subject to any conflicting obligations or any disability which will or might prevent Contractor from, or interfere with Contractor's execution and performance of this Agreement; and that the results and proceeds of Contractor's services hereunder, including any literary or other material, will be wholly original with Contractor or in the public domain throughout the world, and shall not infringe upon or violate any copyright of or the right of privacy or any other right of, any person, firm or corporation. Contractor further warrants and represents that he/she is over the age of 18 years.
- b) INDEMNIFICATION: Contractor agrees to indemnify, defend and hold harmless Company, the officer, directors, agents and employees of any and all thereof, from and against any and all liabilities, actions, claims, demands, losses, damages and expenses (including reasonable attorney's fees) caused by or arising out of the breach of any representation, warranty or the provision of the Agreement by Contractor. Company's approval of any material furnished by Contractor hereunder shall not constitute a waiver of Contractor's indemnity with regard thereto, other than with respect to actual or potential claims relating to such material, which claims are disclosed in writing by Contractor to Company prior to such approval by Company. Company and Contractor, upon the presentation of any such claim to either of them or the institution of any such action naming either or both of them as defendants, shall promptly notify the other of any such action giving such other party full details thereof.
- c) CONFIDENTIALITY: Contractor shall not, during or after the Term hereof, disclose to any person, firm, corporation or other entity any confidential or proprietary information or trade secrets (collectively referred to as "Confidential Information") of Company, its affiliates, subsidiaries, owners, officers, directors, employees or agents obtained or learned by Contractor while providing services to Company, including, without limitation, information about the Picture or any other projects being developed, produced or distributed by Company. Contractor recognizes and acknowledges that the Confidential Information of Company is a valuable, special, and unique asset of and belongs solely to Company. Notwithstanding the foregoing, Contractor may disclose such Confidential Information pursuant to a subpoena or other legal process after giving prior written notice to Company, which notice shall specify the Confidential Information to be disclosed and the circumstances of such disclosure, if and to the extent known to Contractor.
- d) NAME AND LIKENESS: Contractor hereby irrevocably grants Company, its successors and assigns, the right to use Contractor's name, and to photograph and make motion pictures and sound recordings of Contractor's physical likeness and voice in connection with the Picture, including without limitations for "behind-the-scenes" footage, DVD value added footage and other footage, DVD extras, interviews, excerpts from the Picture, electronic press kits, featurettes, trailers, videos and promotional films and to reproduce the same in any manner and any medium whatsoever, in perpetuity without further compensation.
- e) FEDERAL COMMUNICATIONS ACT: Contractor affirms that neither Contractor, nor any acting for Contractor, gave or agreed to give to any person associated in any manner with the Picture any portion of Contractor's Compensation for arranging Contractor's services in connection with the Picture, or anything else of value for arranging Contractor's services in connection with the Picture. Contractor understands that failure to disclose to Company any such arrangement constitutes a federal crime. Contractor is aware that it is a federal offense, unless disclosed to Company prior to broadcast, for Contractor to accept or agree to accept anything of value other than Contractor's regular compensation for services in connection the Picture paid by Company, for promoting any product, service or venture on the air. Contractor will immediately notify Company if any person attempts to induce Contractor to do anything in violation of the foregoing.
- f) GOVERNING LAW/ARBITRATION: The terms and conditions of this Agreement shall be interpreted and governed by California law applicable to contracts entered into and to be wholly performed in California without reference to choice of law rules. The parties consent to the jurisdiction of the courts of the State of California in the City and County of Los Angeles or the federal courts of the United States for the Central District of California located in the City and County of Los Angeles. Any dispute arising hereunder shall be resolved solely through binding arbitration conducted in Los Angeles, California under and pursuant to the commercial arbitration rules of the American Arbitration Association ("AAA Rules"), as said rules and may be amended from time to time with rights of discovery if requested by the arbitrator. Such rules and procedures are incorporated and made part of this Agreement by reference. It is agreed that the arbitration shall be before a single arbitrator familiar with entertainment law. The prevailing party in such arbitration shall be entitled to recover its attorneys' fees and costs

Contractor Initial _____
 Company Initial _____



incurred in connection with such arbitration. Any award shall be final, binding, and non-appealable. The parties agree to accept service of process in accordance with AAA Rules.

- g) **WAIVER:** A waiver by either party of any of the terms and conditions of this Agreement in any one instance shall not be deemed to be a waiver of such terms or conditions for the future, or any subsequent breach thereof.
- h) **HEADINGS:** All paragraph headings are for convenience purposes only and do not in any way affect the terms of this Agreement.
- i) **FURTHER DOCUMENTS:** Contractor agrees to execute such further documents and instruments as Company may reasonably request in order to effectuate the terms and intentions of this Agreement, and in the event Contractor fails or is unable to execute any such documents or instruments, Contractor hereby appoints Company as Contractor's irrevocable attorney in fact to execute any such documents or instruments, provided that said documents and instruments shall not be inconsistent with the terms and conditions of this Agreement. Company's rights under this Paragraph constitute a power coupled with an interest and are irrevocable.
- j) **REMEDIES:** No breach of this Agreement shall entitle Contractor to terminate or rescind the rights granted to Company herein, and Contractor hereby waives the right, in the event of any such breach, to file or enter into a class action claim against the Company, equitable relief or to enjoin, restrain or interfere with the production, distribution, exploitation, exhibition or use of any of the Work, it being Contractor's understanding that Contractor's sole remedy shall be the right to recover damages with respect to any such breach.
- k) **ASSIGNMENT:** This Agreement shall be binding upon and shall inure to the benefit of Company and shall be binding upon and shall be to the benefit of, and may be assigned to, any parent, subsidiary, or affiliate company of Company, any company or entity with which Company may be merged, combined or consolidated, any company or entity acquiring all or substantially all of Company's assets, and any person, firm or corporation who may hereafter acquire the right to produce, distribute, exhibit, advertise and/or otherwise exploit the Picture hereunder, or any of the results and proceeds of Contractor's services hereunder. Contractor may not assign any of services, duties, rights, liabilities, and/or obligations described in this Agreement.
- l) **ENTIRE AGREEMENT:** This Agreement contains the entire understanding of the parties relating to the subject matter herein contained. This Agreement can be changed or terminated only in a writing duly executed by both parties hereto.

The parties have executed this Agreement as of the Effective Date.

By: CONTRACTOR


Contractor:

By: _____

Its: Authorized Agent

Loan Out (If applicable)

Name: DS Phillips

By: _____

Its: _____

PLEASE FILL OUT

NAME <u>DS Phillips</u>	
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(referred to in this agreement as 'Independent Contractor')

Contractor Initial DP
Company Initial _____

LOAN OUT (if applicable)	
ADDRESS	2157 Carnot St. New Orleans, LA, 70122
PHONE:	CELL 985-264-9682 HOME FAX
Social Security #/Tax ID:	002-18-1085
Emergency Contact Information	Name: Doug Phillips Contact Information: Cell: 985-264-9680 Relation: Father

Contractor Initial DP
Company Initial _____