

FILM PRODUCTION AGREEMENT

This Film Production Agreement (“**Agreement**”) is made and entered into effective as of the 21th day of June 2014 between Rocky Mountain Sherpas Inc., d/b/a Sherpas Cinema (the “**Contractor**”) and BC Transit (“**BC TRANSIT**”). Contractor and BC TRANSIT may be referred to in this Agreement, individually, as “Party” and, collectively, as “Parties”.

WHEREAS BC TRANSIT has agreed to provide the Contractor with funding for Sherpas Cinema produced promotional Films made specifically for BC TRANSIT and affiliates (the “**Films**”). The terms of the Agreement are set out herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows

I. PRODUCTION

1. BC TRANSIT Production Funding:

BC TRANSIT agrees to provide funding to the Contractor in the amount of \$154,330.00 CAD plus G.S.T., totaling \$162,046.50 CAD, for the development and production of the Films (the “**BC TRANSIT Production Funds**”).

BC TRANSIT Production Funds will be paid by BC TRANSIT to Contractor as set out in the Payment Terms below.

2. Payment Terms

BC TRANSIT shall be invoiced by the Contractor according to the following payment schedule.

1) August 2014 – Storyboard Approval

\$20,00.00 CAD + G.S.T. = \$21,00.00 CAD

2) October 2014 – Production of three scenes

\$40,000.00 + G.S.T. = \$42,000.00 CAD

3) November 2014 – Post Production and delivery of first Film

\$17,165.00 + G.S.T. = \$18,023.25 CAD

4) May 2015 – Post Production and deliver of final two Films.

\$77,165.00 + G.S.T. = \$81,023.25 CAD

Payments are due 14 business days from the date of invoice.

3. BC TRANSIT Trademarks

BC TRANSIT and its trademarks, logos and names may be incorporated into all appropriate aspects of the Films.

BC TRANSIT consents and agrees to allow the Contractor the use of its trademarks, logos and names in the Films and on products and merchandise related to the Films, as well as for the marketing of the Films. BC TRANSIT will be consulted with regarding the usage of these trademarks.

4. BC TRANSIT Films

BC TRANSIT will receive 3 custom content edits created by the Contractor that will feature BC TRANSIT and BC TRANSIT products and services (the “**Films**”).

Contractor will consult with BC TRANSIT and BC TRANSIT associates and affiliates regarding the Films and their edit, length and direction. It is agreed by the parties that the Films are generally to be formatted as follows:

3 X 30 sec broadcast ready commercial spots

5. BC TRANSIT Films – Delivery Schedule

The Films shall be delivered and approved as follows. The parties acknowledge that the Films delivery schedule may be subject to changes and agreed upon in good faith by the parties.

	<u>Draft 1</u>	<u>Draft 2</u>	<u>Final Master</u>
1 X 30 Sec commercial spot			
1 X 30 Sec commercial spot			
1 X 30 Sec commercial spot			

- dates to be discussed -

All Films are subject to two rounds of review by BC TRANSIT, associates and affiliates for Contractor to make post-production alterations. Any further rounds of review and alterations may be subject to further billing.

6. Ownership of Materials:

BC TRANSIT and Contractor shall maintain co-ownership of the Films and all related Film Footage (including copyrights and all other intellectual property rights), all other materials created during the development of the Films and Film Footage, and all other rights therein.

The Contractor hereby grants to BC TRANSIT an irrevocable, perpetual, royalty-free worldwide right to use, copy, publicly display, and publicly perform the Films and Film Footage in all media formats.