

June 28, 2010

Laura Lightbown  
Penflo Productions (II) Inc.  
# 810-207 West Hastings  
Vancouver, BC V6B 1H7

Dear Laura:

This Letter of Understanding confirms our agreement that the CFTPA Collective Agreement with ACFC West, Local 2020 CEP, as ratified January 27<sup>th</sup>, 2008, (the "CFTPA Master"), shall apply to the TV Series "HICCUPS" Season 2 under the company name Penflo Productions (II) Inc. (HICCUPS Season 2):

Pursuant to Article 2.02 of the CFTPA Master, the following enabling shall apply to HICCUPS Season 2:

- Use of the 2010 'Low Budget Features & Slow Season' rates. For example, the Key Grip scale rate will be \$25.50 per hour and the Grip scale rate will be \$20.00 per hour.
- The union Producer Levy will be reduced to .25%.

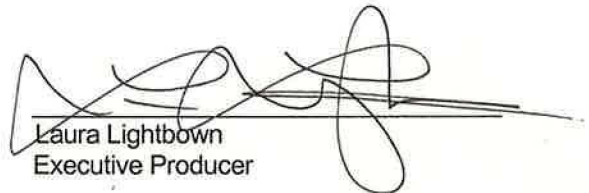
All other terms and conditions of the CFTPA Collective Agreement with ACFC West, Local 2020 CEP will remain in effect.

Congratulations and all the best on your second season.

Agreed to and accepted upon signing by both parties:



Richard Chilton  
ACFC West, Local 2020 CEP



Laura Lightbown  
Executive Producer



Greg Chambers  
ACFC West, Local 2020 CEP

Date Signed: 8<sup>th</sup> day of July, 2010

