

**OPTION/SCREENPLAY PURCHASE AND
WRITING SERVICES AGREEMENT**

DATED AS OF: As of May 10, 2001

SELLER: Hollywood Hopeful

S.S.#s: _____

**NOTICES AND
PAYMENTS TO:** C/o Wonderful Agency, Inc.
1000 Wilshire Boulevard
Beverly Hills, California 90212
Attention: Wonderful Agent
Telecopier: (310) *** ****

WITH A COPY TO: Hollywood Hopeful law firm
1000 Century Park East, 2nd Floor
Los Angeles, California 90067
Attention: Hollywood Hopeful lawyer
Telecopier: (310) *** ****

SCREENPLAY/PICTURE: "THE BEST SCRIPT EVER"

Ladies and Gentlemen:

This letter shall confirm the agreement ("Agreement") between Ever Ready Films Inc. ("Purchaser"), a Writers Guild of America signatory company, and Hollywood Hopeful ("Seller") with respect to Purchaser's exclusive and irrevocable option to purchase all "Rights" [as such term is defined in Paragraph 4(a) below] in and to the above-referenced original screenplay ("Screenplay") owned and written by Seller, presently entitled "THE BEST SCRIPT EVER", together with all titles, themes, contents, characters, stories, elements, translations, adaptations and versions thereof (collectively the "Property"). This letter shall further confirm the Agreement between Purchaser and Seller with respect to the writing services of Seller in connection with a proposed theatrical motion picture based on the Property (the first such motion picture being hereinafter referred to as the "First Picture"), as follows:

1. Conditions Precedent. Purchaser's and Seller's respective obligations under this Agreement are expressly conditioned upon:
 - (a) Purchaser's receipt of copies of this Agreement, the Short Form Option Agreement, the Short Form Assignment, and the Certificate of Results and Proceeds attached hereto as Exhibits "B", "C", and "D", respectively, and incorporated herein by this reference, all executed by Seller;
 - (b) Seller's providing Purchaser with all documents which may be required by

any governmental agency or otherwise in order for Seller lawfully to be entitled to render services hereunder, including, without limitation, an INS Form I-9 (Employment Eligibility Verification Form), completed to Purchaser's satisfaction and original documents establishing Seller's employment eligibility; and

- (c) Purchaser's approval of the chain of title to the Property and Purchaser's acquisition of all other rights which may be required by Purchaser (in its sole discretion) in connection with the Property.

2. Option Periods and Compensation Therefor.

- (a) Initial Option. In consideration of the sum of Fifty Thousand Dollars (\$50,000) ("Initial Option Fee"), payable to Seller upon the later of the satisfaction of the conditions precedent set forth in Paragraph A above and Seller's full execution and delivery to Purchaser of this Agreement and all Exhibits attached hereto, Seller hereby grants to Purchaser, for the period (the "Initial Option Period") commencing on June 30, 2001, and continuing for a period of twelve (12) months thereafter, the exclusive and irrevocable option ("Option") to purchase all of the Rights (as defined in Paragraph 4 below) in and to the Property. The Initial Option Period shall be subject to extension as set forth in Paragraph 2(d) below. The Initial Option Fee shall be applied against and shall reduce the "Fixed Purchase Price" set forth in Paragraph 3(a) below.
- (b) Second Option. Purchaser may extend the Option for an additional period of twelve (12) months (the "Second Option Period"), commencing on the expiration of the Initial Option Period, by providing written notice thereof to Seller and by paying Seller the additional sum ("Second Option Fee") of Thirty Seven Thousand Five Hundred Dollars (\$37,500) at any time prior to the expiration of the Initial Option Period. The Second Option Period shall be subject to extension as set forth in Paragraph 2(d) below. The Second Option Fee shall not be applied against and shall not reduce the Fixed Purchase Price set forth in Paragraph 3(a) below.
- (c) Option Period Activities. During the Initial Option Period and Second Option Period (the Initial Option Period and the Second Option Period shall sometimes hereinafter be collectively referred to as the "Option Period"), if any, Purchaser shall have the right to engage in all pre-production activities with respect to the Property, including, without limitation, the writing of screenplays, preparation of budgets, preliminary casting and announcements that a motion picture based upon the Property is being developed.
- (d) Option Extension. Notwithstanding anything to the contrary contained herein, and without limitation of any of Purchaser's rights and remedies hereunder, at law or in equity, in the event there is any bona fide claim, litigation or proceeding during the Option Period involving any material breach of any of Seller's material representations, warranties or agreements, or upon the occurrence during the Option Period of any

event beyond Purchaser's control which materially prevents or interferes with Purchaser's development of the Property, including, without limitation, a strike, walkout or other labor interruption ("Force Majeure"), the Option Period shall be deemed automatically suspended, and thus extended, for a period of time equal to the entire period of time from the date upon which such event, bona fide claim, litigation or proceeding first occurs until the date upon which such matter is no longer threatened or pending without final disposition, or for the entire duration of such event of Force Majeure. Without limiting the generality of the foregoing, if any claim or litigation involving a breach of any of Seller's material representations, warranties or agreements herein results in a judgment in favor of a third party such that Seller cannot grant to Purchaser the rights as provided herein, Purchaser may, at its sole option, by written notice to Seller, and in addition to any other rights and remedies Purchaser may have, rescind this Agreement, and in such event Seller shall thereupon repay immediately to Purchaser all amounts previously paid to Seller hereunder. In no event will the Option Period be extended for more than six (6) months pursuant to this Paragraph as a result of an event of Force Majeure.

- (e) Exercise of Rights Option. Purchaser shall be entitled to exercise the Rights Option by written notice thereof to Seller, accompanied by payment of the "Fixed Purchase Price" as defined in Paragraph 3 hereinbelow, at any time prior to the expiration of the Rights Option Period, as the same may be extended hereunder; provided, however, that if, prior to the expiration of the Rights Option Period, Purchaser commences principal photography of the First Picture, then the Rights Option shall be deemed exercised on such commencement date, and the Fixed Purchase Price shall be paid to Seller on or before such commencement date. Concurrently with the execution hereof, Seller is executing and depositing with Purchaser to be held in trust a Short Form Assignment ("Assignment") in the form attached hereto as Exhibit "C". If Purchaser exercises the Rights Option, then upon such exercise and payment of the Fixed Purchase Price, the Assignment shall be deemed dated as of the date of such exercise, Purchaser being hereby authorized to date the Assignment accordingly and thereupon to file the Assignment in the U.S. Copyright Office, and the Assignment shall be conclusively deemed to have been executed and delivered by Seller. If Purchaser shall fail to exercise the Rights Option, then the Assignment shall be of no force or effect, and with the exception of Purchaser's ownership of any literary materials written and developed by Purchaser during the Rights Option Period, Purchaser shall have no further rights hereunder in or to the Property, and Purchaser shall execute such documents as are reasonably necessary to confirm Purchaser's failure to exercise the Rights Option; provided, however, that Seller shall have the exclusive, perpetual option to purchase such materials for an amount equal to all of Purchaser's actual, direct, out-of-pocket costs in connection with the Property, including all sums paid to Seller hereunder, plus interest on all such costs at the rate of prime as reported in The Wall Street Journal plus two percent (2%), payable upon the exercise of such option.

3. Rights Consideration. If Purchaser exercises the Option, or is deemed to have exercised the Option, pursuant to Paragraph 2(e) above, then in full and complete consideration for the Rights (as defined in Paragraph 4 hereinbelow) and all other rights granted and agreed to be granted to Purchaser herein and for all of Owner's representations, warranties and agreements hereunder, Owner shall be entitled to receive the following:
- (a) Fixed Purchase Price. The sum ("Fixed Purchase Price") of an amount equal to Two and One Half Percent (2-1/2%) of the final approved incoming direct cost budget for the First Picture (excluding contingency, interest, financing costs, and completion bond costs), with a minimum payment of Three Hundred Thousand Dollars (\$300,000), and a maximum payment of Six Hundred Thousand Dollars (\$600,000) less the Initial Option Fee and the Writing Services Fees, such difference to be payable upon the exercise or deemed exercise (as applicable) of the Option.
 - (b) Credit Bonus: If the Picture is produced and Seller is accorded "screenplay by" or "written by" credit in connection therewith ("screenplay credit"), Purchaser shall pay to Seller the following applicable amount within ten (10) days after the final determination of the writing credits for the Picture in accordance with the provisions of the Writers Guild of America 1998 Basic Agreement ("WGA Agreement"), other than pursuant to Article 7 of Schedule A thereto; provided, however, that if no other writers are engaged by Purchaser in connection with the Picture as of the date of commencement of principal photography, then Purchaser shall pay to Seller Fifty percent (50%) of the Sole Screenplay Credit Bonus on the date of commencement of principal photography:
 - (i) Sole Screenplay Credit. If Seller is accorded sole screenplay credit, an amount equal to One Hundred Thousand Dollars (\$100,000).
 - (ii) Shared Screenplay Credit. If Seller is accorded shared screenplay credit, an amount equal to Fifty Thousand Dollars (\$50,000).
 - (c) Contingent Compensation: If the Picture is produced and Seller is accorded screenplay credit in connection therewith, Purchaser shall pay to Seller the following share of the "Defined Proceeds" derived from the Picture:
 - (i) Sole Screenplay Credit. If Seller is accorded sole screenplay credit, an amount equal to Five Percent (5%) of One Hundred Percent (100%) of the Defined Proceeds, if any, derived from the Picture.
 - (ii) Shared Screenplay Credit. If Seller is accorded shared screenplay credit, an amount equal to Two and One Half Percent

(2-1/2%) of One Hundred Percent (100%) of the Defined Proceeds, if any, derived from the Picture.

For purposes of this Agreement, Defined Proceeds shall be computed, defined, accounted for and paid in accordance with Purchaser's standard definition of Defined Proceeds, attached hereto as Exhibit "E" and incorporated herein by this reference, which shall be subject to such changes as are mutually agreed to in writing following good faith negotiations, and shall be no less favorable than the provisions applicable to any other participant in Defined Proceeds. Purchaser makes no representation that the Picture will generate any net profits, or any particular amount of Defined Proceeds.

- (d) Credit Contingencies: All credit contingencies described herein shall be met only if credit is determined pursuant to the WGA Agreement.
- (e) Agency Payments: All payments to Seller hereunder shall be made to Hollywood Hopeful, in care of Wonderful Agency, Inc., Attention: Wonderful Agent. Seller hereby authorizes Purchaser to make all such payments as aforesaid.

4. Grant of Rights.

- (a) Upon the exercise of the Rights Option and payment of the Fixed Purchase Price, and subject only to the WGA "separation of rights" provisions, Seller hereby grants to Purchaser all rights, title and interest of any nature in and to the Property, including, without limitation, all theatrical motion picture, non-theatrical motion picture, television (all forms, including, without limitation, live, pay, cable, satellite), radio, home video devices, audio-visual devices, computer-assisted media devices (including, without limitation CD-ROM, CD-I and all other linear and/or interactive devices now known or hereafter created), prequel, remake, sequel, novelization, publishing, soundtrack, music, merchandising and legitimate stage rights, all "Rental and Lending Rights" , all copyrights therein and thereto (including all renewals and extensions), all other allied and incidental rights therein and thereto, and all rights necessary to develop, produce, distribute, advertise, publicize and otherwise exploit any number of motion pictures and other productions based on the Property (collectively, the "Picture") exclusively, perpetually, throughout the world, and in any and all media, whether now known or hereafter devised (collectively, the "Rights").
- (b) Preproduction Activities. Seller agrees that throughout the Rights Option Period, and thereafter if the Rights Option is exercised, Purchaser shall have the unlimited right, but not the obligation, to negotiate for and enter into agreements relative to the financing, development, production and distribution of the Picture and to do any and all other acts customarily done by producers in connection with the development and pre-production of a literary property for television productions or theatrical motion pictures. Seller agrees and understands that included in this right is the right to vary, change (including, without limitation, changes made to

the title of the Property), adapt, alter, modify, fictionalize, rearrange, interpolate in, transpose, add material to and remove material from the Property, and to change the sequence thereof and the characters and descriptions of the characters contained in the Property, and to use a portion or portions of the Property or the characters, plots, or themes thereof in conjunction with any other literary, dramatic or other material of any kind, as Purchaser shall in its sole discretion deem appropriate [it being acknowledged that, subject to Paragraph 4(c) below, Purchaser shall have no rights in or to the Property after the expiration of the Rights Option Period, if the Rights Option is not exercised.] Seller hereby waives the benefits of any provision of law known as the "droit moral" or any similar law or principal in any country of the world and agrees not to institute, prosecute, support or permit any action or lawsuit on the ground that any Picture or television production or other version of the Property produced, distributed or exploited by Purchaser, its assignees or licensees, in any way constitutes an infringement of any of Seller's droit moral or is in any way a defamation or mutilation of the Property or any part thereof or contains unauthorized variations, alterations, modifications, changes, or translations.

- (c) Rights to Materials Developed by Purchaser. Purchaser shall be deemed to be the copyright holder and owner of all right, title and interest in and to any materials, written, outlined, composed or otherwise, which are prepared during the Rights Option Period relating to the Screenplay and/or the Property, whether or not the Rights Option is exercised. Seller shall not control, own or hold any rights, title or interest of any kind whatsoever in or to any such materials written, outlined, composed, or otherwise created by or under the authority of Purchaser, whether or not the Rights Option is exercised; provided, however, that Seller shall have the exclusive, perpetual option to purchase such materials for an amount equal to all of Purchaser's actual, direct, out-of-pocket costs in connection with the Property plus interest on all such costs at the rate of prime as reported in The Wall Street Journal plus two percent (2%), payable upon the exercise of such option.
- (d) Reversion. All Rights in and to the Property granted to Purchaser hereunder shall automatically revert to Seller if principal photography of the First Picture has not commenced within five (5) years of the date of exercise of the Rights Option. If the rights revert to Seller pursuant to this Paragraph 4(d), Seller, shall have no further obligation to Purchaser with respect thereto except as provided hereinbelow, and Purchaser shall promptly execute any and all documents necessary to evidence such reversion. If Purchaser shall fail to do so within (10) ten business days of Seller's request, then Seller will be deemed Purchaser's attorney-in-fact, coupled with an interest, and will have the right to execute such documents in Purchaser's name. Seller shall provide Purchaser with a copy of all documents so executed. In the event of such a reversion, upon the commencement of principal photography of any motion picture based upon the Property in whole or in part, Purchaser shall be reimbursed for

and shall be entitled to a first priority lien and security interest in and to the Property in an amount equal to Purchaser's actual, direct, out-of-pocket third party costs in connection with the development and production of the Property and the first picture based thereon. Seller shall execute all documents, including, without limitation, UCC-1s, reasonably requested by Purchaser to effectuate such lien and security interest. Seller hereby appoints Purchaser as Seller's attorney-in-fact, with full power of substitution and delegation, to execute all such documents on Seller's behalf in the event Seller fails to do so within ten (10) business days after a written request therefor by Purchaser and an opportunity to negotiate in good faith. Such appointment shall be coupled with an interest and irrevocable. Purchaser shall provide Seller with a copy of any such document(s) executed by Purchaser.

5. Writing Services/ Other Writers.

- (a) Writing Services. Purchaser hereby engages Seller to write a re-write ("Re-Write") and a polish ("Polish") in connection with the Screenplay, on a pay-or-play basis, for a writing fee of Thirty Six Thousand Dollars (\$36,000) in the aggregate, which shall be allocated Twenty Four Thousand Dollars (\$24,000) to the Re-Write and Twelve Thousand Dollars (\$12,000) to the First Polish. The commencement of the Re-Write will occur when a director has been engaged to supervise the Re-Write, but in no event later than twelve (12) weeks following the date of commencement of the Initial Option Period. Seller shall to complete and deliver the Re-Write to Purchaser on or before a date eight (8) weeks after Purchaser's request therefor. Purchaser shall have a period of four (4) weeks from the delivery by Seller of the Re-Write ("Reading Period") within which to review it and to communicate to Seller Purchaser's reasonable comments, instructions and reasonable requirements with respect thereto. Seller shall complete and deliver the Polish to Purchaser on or before a date six (6) weeks after the expiration of the Reading Period. Any writing payments ("Writing Services Fees") paid by Purchaser hereunder to Seller (or another entity on behalf of Seller), if any, shall be applied against and shall reduce the Fixed Purchase Price. Seller shall render any writing services set forth in this Agreement in consultation with such representative(s) of Purchaser as Purchaser may designate and in accordance with Purchaser's reasonable instructions and schedule. Seller shall to incorporate into Seller's written material such changes, revisions, deletions and/or additions as Purchaser, or any representative designated by Purchaser, may reasonably require.
- (b) The writing fees described in Paragraph 5(a) above shall constitute full and complete consideration for any and all rewriting services which Purchaser may require of Seller hereunder and for all rights granted to Purchaser in connection therewith, and each such writing fee shall be payable to Seller one-half (1/2) within five (5) business days following the commencement of the applicable writing step and one-half (1/2) within five (5) business days following the delivery to Purchaser of the applicable writing step; provided, however, that no payments shall be due to Seller prior

to the satisfaction of each of the conditions precedent set forth in Paragraph 1 above.

Except as expressly provided herein, Purchaser shall have the unrestricted right to engage the writing services in connection with the Screenplay of any number of other persons, and Purchaser will have no further obligation to Seller with respect to any further writing services with respect to the Screenplay or the First Picture. Seller shall render any writing services set forth in this Agreement in consultation with such representative(s) of Purchaser as Purchaser may reasonably designate and in accordance with Purchaser's reasonable instructions. Seller shall incorporate into Seller's written material such changes, revisions, deletions and/or additions as Purchaser, or any representative designated by Purchaser, may reasonably require.

6. Credit. Purchaser shall determine and accord Seller credit in connection with the Picture as required pursuant to the then-current WGA Agreement. All other matters with respect to credit shall be in Purchaser's sole and complete discretion. No casual or inadvertent failure to comply with the provisions of this Paragraph or failure by any third parties to comply with their agreements with Purchaser shall constitute a breach of this Agreement by Purchaser.

Provided Seller timely notifies Purchaser in writing of Purchaser's failure to accord Seller credit on screen or in paid advertising issued by Purchaser, as required pursuant to this Paragraph, Purchaser shall undertake reasonable efforts to correct such failure in prints struck after and paid advertising issued after Purchaser has had an adequate period of time following receipt of such notice within which to implement such correction; provided, however, that Purchaser shall have no obligation to strike any additional prints or to issue any subsequent paid advertising. Purchaser shall contractually require those third party distributors or other licensees with which Purchaser enters into a written agreement to comply with Purchaser's credit obligations hereunder.

7. Separation of Rights/Passive Payments. If Seller is entitled to sole or shared "separation of rights" in connection with the First Picture in accordance with the the WGA Agreement, Seller shall be entitled to the following payments ("Passive Payments") in connection with a theatrical sequel or theatrical remake of the First Picture, or a television series, movie of the week ("MOW"), direct-to-video or mini-series based upon the First Picture, if and only if Seller does not render any type of services in connection with the applicable production [the following amounts being inclusive of any amounts required to be paid pursuant to the WGA Agreement in connection with such productions and reducible by a maximum of fifty percent (50%) by any applicable amounts payable to third parties sharing separation of rights with Seller for the First Picture:

- (a) Theatrical and Direct-To-Video Sequels: With respect to theatrical sequels an amount equal to one-half (1/2) of (A) the Fixed Purchase Price and Credit Bonus paid to Seller pursuant to Paragraphs 3(a) and 3(b) above and of (B) Contingent Compensation percentage payable to Seller pursuant to Paragraph 3(b) above, and with respect to direct-to-video sequels an amount equal to one-quarter (1/4) of (A) the Fixed Purchase Price paid to

Seller pursuant to Paragraph 3(a) above and of (B) Contingent Compensation percentage payable to Seller pursuant to Paragraph 3(c) above, payable no later than ten (10) days after commencement of principal photography of the applicable sequel.

- (b) Theatrical and Direct-To-Video Remakes: An amount equal to one-third (1/3) of (A) the Fixed Purchase Price and Credit Bonus paid to Seller pursuant to Paragraphs 3(a) and 3(b) and of (B) the Contingent Compensation percentage payable to Seller pursuant to Paragraph 3(c) above, and with respect to direct-to-video remakes an amount equal to one-sixth (1/6) of (A) the Fixed Purchase Price paid to Seller pursuant to Paragraph 3(a) above and of (B) Contingent Compensation percentage payable to Seller pursuant to Paragraph 3(b) above, payable no later than ten (10) days after commencement of principal photography of the applicable remake.
- (c) U.S. Television Episodic Series: For a U.S. network prime-time television episodic series based on the First Picture, the following applicable per-episode royalties [such royalty(ies) to be reduced by fifty percent (50%) where any such episode appears initially on U.S. non-network and/or U.S. non-prime-time television or non-U.S. television], such royalties [with the exception of subparagraph (iv)], to be payable on a one-time basis no later than ten (10) days after the earlier of commencement of principal photography of the respective episode or Purchaser's receipt of the license fee for such episode:
- | | | |
|-------|---|---------|
| (i) | 0-20 minutes | \$2,500 |
| (ii) | 21-60 minutes | \$3,000 |
| (iii) | over 60 minutes | \$3,600 |
| (iv) | An amount equal to twenty percent (20%) of the applicable per-episode royalty for the first five (5) reruns of each episode on television, payable no later than ten (10) days after telecast of the respective rerun episode, such payment constituting payment in full for the sixth and all subsequent reruns of such episode. | |
- (d) Television Series Spin-offs: If any television series has a spin-off, Seller shall receive an amount equal to the following applicable percentages of all applicable amounts set forth in Paragraph 7(c) hereof, including, without limitation, the rerun payments provided in Paragraph 7(c)(iv). The royalties will be payable within 10 (ten) days of commencement of production of each episode of such spin-offs:
- | | | |
|------|-------------------|--|
| (i) | Generic Spin-off: | Fifty percent (50%) |
| (ii) | Planted Spin-off: | Thirty-Three and One Third percent (33 1/2%) |

- (iii) An amount equal to twenty percent (20%) of the applicable per-episode royalty for the first five (5) reruns of each episode on television, payable no later than ten (10) days after telecast of the respective rerun episode, such payment constituting payment in full for the sixth and all subsequent reruns of such episode.
 - (e) U.S. MOW or U.S. Mini-Series: For a U.S. network prime-time MOW or mini-series based on the First Picture, a one-time royalty (such royalty to be reduced by fifty percent (50%) where any such MOW or mini-series appears on U.S. non-network and/or U.S. non-prime-time television) of Ten Thousand Dollars (\$10,000) for each hour as actually telecast [with a maximum payment for eight (8) hours], payable no later than ten (10) days after the later of commencement of principal photography of the applicable program and Purchaser's receipt of the license fee for such program.
 - (f) Network: The term "network" as used herein shall include only the following: CBS, ABC, NBC, WB, UPN, HBO, Showtime, and Fox Broadcasting Corporation.
 - (g) Theatrical Release: With respect to a program produced for initial exhibition on television that is released theatrically in the United States prior to its initial television broadcast, an amount equal to One Hundred Percent (100%) of the Fixed Purchase Price paid to Seller pursuant to Paragraph 3(a) above and of (B) Contingent Compensation percentage payable to Seller pursuant to Paragraphs 3(b) and 3(c); with respect to a program produced for initial exhibition on television that is released theatrically in the United States subsequent to its initial television broadcast, an amount equal to Fifty Percent (50%) of the Fixed Purchase Price paid to Seller pursuant to Paragraph 3 above and of (B) Contingent Compensation percentage payable to Seller pursuant to Paragraphs 3(b) and 3(c); and with respect to a program produced for initial exhibition on television that is released theatrically outside of the United States whether prior or subsequent to its initial television broadcast, an amount equal to Fifty Percent (50%) of the Fixed Purchase Price paid to Seller pursuant to Paragraph 3 above and of (B) Contingent Compensation percentage payable to Seller pursuant to Paragraphs 3(b) and 3(c). Notwithstanding anything to the contrary contained herein, in no event shall the amounts payable pursuant to this Paragraph exceed the Fixed Purchase Price paid to Seller pursuant to Paragraph 3(a) above and the Credit Bonus payable to Seller pursuant to Paragraph 3(b) and the Contingent Compensation percentage payable to Seller pursuant to Paragraph 3(c).
8. First Negotiation for Writing Services. Provided that Seller is not in material Default hereunder and that Seller is entitled to sole "screenplay by" or sole "written by" credit for the First Picture in accordance with a credit determination under the WGA Agreement ("Screenplay Credit"), the following provisions shall apply:
- (a) Subsequent Productions. If within ten (10) years following the initial release of the First Picture Purchaser or Purchaser's assignee or designee, elects, in its sole discretion, to develop a theatrical prequel, sequel, theatrical remake,

direct-to-video production, or television series pilot (or the first episode of a television series based upon the First Picture if no pilot is produced), television MOW, or television mini-series (collectively, "TV Production") based upon the First Picture, then provided Seller is then active as a writer of theatrical motion pictures or television productions, and that Seller is available as, when and where reasonably required by Purchaser, (and subject to licensee approval with respect to any TV production, and Purchaser shall use all reasonable efforts to obtain such approval), Seller shall have a right of first negotiation to render writing services on the screenplay for the first such theatrical sequel or theatrical remake or direct-to-video or the teleplay for the first such TV Production, on financial terms no less than the financial terms provided herein with respect to a theatrical production only.

- (b) Surviving Obligations. If no agreement is reached under Paragraph 8(a) above for a given production within thirty (30) business days after negotiations with Seller begin, or if Seller is unavailable or declines to render services, Purchaser will have no further obligation to Seller with respect to that particular, or any other, theatrical or television production, except to the extent Seller is entitled to payments pursuant to Paragraph 7 above. In the event Seller does render services under this Paragraph, Seller's compensation pursuant to this Paragraph shall be in lieu of the payments provided for with respect to that production pursuant to Paragraph 7 above.
- (c) Rolling Right. If Seller receives sole Screenplay Credit on the first such theatrical remake, theatrical sequel or teleplay produced under Paragraph 8(a) above, then Seller shall be accorded the same first negotiation right, subject to the provisions of this Paragraph, with respect to Seller's writing services on the next such theatrical remake, theatrical sequel, theatrical prequel, direct-to-video, or TV Production, if any, produced by Purchaser within ten (10) years following the initial general release or broadcast, as applicable, of the first such theatrical remake, theatrical sequel or TV Production. Subject to the provisions of this Paragraph, this first negotiation right shall continue for each such immediately subsequent theatrical remake, theatrical sequel direct-to-video, or TV Production, if any, produced by Purchaser within the applicable ten (10)-year period, provided that Seller receives sole Screenplay or Teleplay Credit on the immediately preceding theatrical remake, theatrical sequel or TV Production, as applicable; provided, further, that any licensee disapproval of Seller shall not disqualify Seller from Seller's rights of first negotiation hereunder with respect to a subsequent theatrical motion picture.

9. Travel and Expenses. If Purchaser requires Seller to render services hereunder at a location greater than fifty (50) miles from wherever Seller maintains a residence (Seller represents and warrants their residence to be solely in _____ ("Location")), the following provisions shall apply:

- (a) Travel Expenses. Purchaser will provide with or reimburse Seller for (at Purchaser's discretion) one (1) round-trip first class transportation for each to and from such Location, on an if-used basis (by air, if appropriate),

for each trip made by Seller at Purchaser's request. In addition, provided that Purchaser requires Seller to remain at a Location for more than fourteen (14) consecutive days, Purchaser shall provide Seller with one (1) additional round-trip transportation (first class, if available, and if used) between Seller's residence and the Location for use by Seller or Seller's non-business-related guest.

- (b) Living Expenses. If at Purchaser's request Seller renders writing services at a Location, Purchaser shall provide Seller with a first class hotel room and a first class per diem, which shall be no less favorable than the provisions of the WGA Basic Agreement, and shall be no less favorable than the hotel room and per diem provided to any producer of the First Picture in connection with the First Picture.
- (c) Ground Transportation: Purchaser shall provide Seller with non-exclusive ground transportation to and from their respective permanent residence (or hotel or temporary accommodations) and the airport and set and the working location, which may be shared solely with other above-the-line production personnel and principal cast members;
- (d) Rental Car: Purchaser shall provide Seller with a mid-size rental car with appropriate insurance.
- (e) Cellular Telephone: Purchaser shall provide Seller with a cellular telephone; provided, however, that Seller shall pay for their respective non-Picture-related calls.
- (f) Travel Arrangements. All travel arrangements, including, without limitation, the acquisition of airline tickets, booking of accommodations, etc., shall be made through Purchaser's production department.

10. WGA Agreement.

- (a) Except as otherwise provided herein, the terms of the presently effective WGA Agreement, as subsequently amended, shall govern Seller's services hereunder. To the extent that any provision of this Agreement conflicts with the mandatory provisions of the WGA Agreement, as applicable, the provisions of the WGA Agreement shall prevail, provided, however, that in such event the provision of this Agreement so affected shall be curtailed and limited only to the minimum extent necessary to permit compliance with the terms of such mandatory provisions.
- (b) Seller warrants and represents that Seller is now, and will remain throughout the term of this Agreement, a member in good standing of the WGA. Purchaser warrants and represents that Purchaser is a signatory to the WGA Agreement.

11. Results and Proceeds.

- (a) Seller acknowledges that all of the results and proceeds of Seller's services

in connection with the First Picture are and will be created by Seller as a "work-made-for-hire" specially ordered or commissioned by Purchaser, with Purchaser being deemed the sole author of all such results and proceeds. Seller acknowledges that Purchaser is and shall be the sole and exclusive owner of (and Seller hereby irrevocably assigns to Purchaser) all rights of every kind and nature in, to and with respect to Seller's services in connection with the First Picture and the results and proceeds thereof and that Purchaser shall have the right to use, refrain from using, change, modify, add to, subtract from and to exploit, advertise, exhibit and otherwise turn to account any or all of the foregoing in any manner and in any and all media (including, without limitation, in and in connection with theatrical and non-theatrical motion pictures [including, without limitation, remakes and sequels], all forms of television, radio, legitimate stage, videodiscs, videocassettes, laser discs and all other home video devices, video on demand, interactive multimedia [including, without limitation, CD-ROM and CD-I], interactive networked multimedia, computer software, telecommunication systems [including, without imitation, Internet and on-line services], and incidental, allied and ancillary rights thereto [including, without limitation, live performance, print, radio, soundtrack, merchandising, books-on-tape/single-voice non-dramatic sound recordings and publications]), whether now known or hereafter devised, throughout the world, in perpetuity, in all languages, as Purchaser in its sole discretion shall determine. Seller hereby waives any and all so-called "moral rights" of authors. In the event the Material or any part thereof shall for whatever reason be determined not to be a work-made-for-hire, Seller hereby exclusively grants and assigns to Purchaser, throughout the universe in perpetuity, all right, title and interest (including, without limitation, the copyright therein and all extensions and renewals thereof) in and to such Material.

- (b) Without limiting the foregoing, Seller hereby irrevocably assigns, licenses and grants to Purchaser throughout the universe, in perpetuity, the rights, if any, of Seller to authorize, prohibit and/or control the renting, lending, fixation, reproduction and/or other exploitation of the First Picture by any media and means now known or hereafter devised as may be conferred upon Seller under applicable laws, regulations or directives, including without limitation, any so-called rental and lending rights pursuant to any European Economic Community ("EEC") directives and/or enabling or implementing legislation, laws or regulations enacted by the member nations of the EEC.

12. Name and Likeness. Seller hereby grants to Purchaser the right, in perpetuity and throughout the universe, to use Seller's name, approved likeness, activities, and/or approved biography (with Purchaser to use the likenesses and/or biographical data submitted by Seller, provided that Seller timely furnishes Purchaser with likenesses and a factually accurate approved biography) solely in connection with the development, production, exhibition, advertising, publicizing and other exploitation of the First Picture (including, without limitation, documentaries, featurettes, promotional films and so-called "behind the scenes" programming and interviews) and all subsidiary and ancillary rights therein and thereto, in any and all

media (whether now known or hereafter devised), including but not limited to, recordings (in any configuration) containing any material derived from the First Picture, including, without limitation, all or any part of the soundtrack of the First Picture, publications, merchandising and commercial tie-ups; provided, however, that in no event shall Seller be depicted as using or endorsing any product, commodity or service without Seller's prior written consent. Notwithstanding the foregoing, the parties hereto understand and agree that Purchaser shall not use Seller's name and/or likeness in connection with merchandising or commercial tie-ups; provided, however, that Purchaser's use of Seller's name in a billing block or other similar listing on any item of merchandise or other material shall constitute an acceptable use of Seller's name which shall not require Seller's consent, but excluding alcohol, tobacco, firearms, hygiene, and sex-oriented products.

13. Warranties and Indemnities.

- (a) Subject to Article 28 of the WGA Agreement, Seller hereby warrants and represents and agrees as follows:
- (i) Seller has the full right, power and authority to enter into this Agreement and to grant and assign to Purchaser the Rights and to grant to Purchaser all of the other rights granted herein to Purchaser.
 - (ii) Neither the Property, nor any of the literary material written or to be written or furnished or to be furnished by Seller in connection with the First Picture (the "Material"), nor any part thereof (other than incidental portions) is substantially in the public domain throughout the world.
 - (iii) The Property and the Material are and will be wholly original with Seller or based upon material in the public domain throughout the world, and to the best of Seller's knowledge, or in the exercise of reasonable prudence Seller should have known that no incident contained therein and no part thereof has been taken from, has been based upon, or will infringe upon any other literary, dramatic or musical material or any motion picture.
 - (iv) The Property and the Material do not and will not in any way infringe upon or violate the copyright or common law rights or literary or dramatic or motion picture rights of, or as far as Seller knows or should have known in the exercise of reasonable prudence, constitute a libel or defamation against, or invasion of the rights of privacy, publicity or any other rights of, any party whatsoever.
 - (v) Seller owns all of the Rights; Seller has not entered into, and Seller will not enter into, any agreement derogating from or otherwise affecting the Rights or any of the other rights granted herein to Purchaser; and no part of the Rights or any of the other rights granted herein to Purchaser has in any way been, or will in any way be, encumbered, sold, conveyed, assigned, granted or otherwise disposed of.

- (vi) To the best of Seller's knowledge, or in the exercise of reasonable prudence Seller should have known that, the Rights and all of the other rights granted herein to Purchaser are free of any liens or claims whatsoever; and there are no claims or litigation pending, outstanding or threatened which might in any way prejudice, interrupt or interfere with the full and unencumbered use by Purchaser of the Rights or any of the other rights granted herein to Purchaser.
 - (vii) The Property has not previously been exploited as a motion picture, television production, play or otherwise, and no other literary work or other materials based on the Property have been written.
 - (viii) The Property may be validly copyrighted and registered for copyright in the United States of America and may similarly be protected elsewhere to the maximum extent that the laws of other countries provide for such protection.
- (b) The warranties, representations and covenants hereunder are made by Seller to induce Purchaser to execute this Agreement, and Seller acknowledges that Purchaser has executed this Agreement in reliance thereon. Seller shall save, indemnify and hold harmless Purchaser, its parents, subsidiaries, affiliates, constituent corporations and its and their employees, officers, directors, agents, shareholders, representatives, successors, licensees and assigns from and against any and all liability, judgments, claims, costs, damages, losses and expenses (including, without limitation, costs and reasonable outside attorneys' fees) ("Claims") arising out of a breach by Seller of any warranties, representations or agreements contained in this Agreement. Purchaser shall have the sole right to control the legal defense of any such claims or litigation, including the right to select counsel of its choice and to compromise or settle any such claims or litigation. Seller shall have the right to have its own counsel, at its sole cost.
- (c) Purchaser agrees at all times to defend, indemnify and hold Seller harmless from and against any and all Claims arising from a breach by Purchaser of any of Purchaser's warranties, representations or agreements contained in this Agreement or the use of any material supplied to Seller by Purchaser, material incorporated at Purchaser's direction and from any Claim arising in connection with the development, production, distribution and/or exploitation of the First Picture or any other production derived therefrom or any element thereof in all media, now known or hereafter devised worldwide in perpetuity (other than with respect to a Claim for which Seller indemnifies Purchaser hereunder).
14. Other Documents. Concurrently herewith, Seller shall execute the short form Option Agreement attached hereto as Exhibit "B," the short form Assignment attached hereto as Exhibit "C," the Certificate of Results and Proceeds attached hereto as Exhibit "D" and such further documents not inconsistent herewith as Purchaser may reasonably require to evidence further Purchaser's rights hereunder or otherwise to effectuate the purposes of this Agreement. Seller hereby appoints Purchaser as

Seller's attorney-in-fact, with full power of substitution and delegation, to execute all such documents on Seller's behalf in the event Seller fails to do so within ten (10) business days after receipt of a written request therefor by Purchaser, subject to customary legal review and comments from counsel for Seller. Such appointment shall be coupled with an interest and irrevocable. Purchaser shall provide Seller with a copy of any such document(s) executed by Purchaser.

15. Annotation Guide. To the extent that any material acquired or written hereunder is based in whole or in part on any actual individual, whether living or dead, or involves any "real life" incident, Seller shall annotate such material in accordance with the guidelines provided in the Annotation Guide attached hereto and incorporated herein by reference. In connection therewith, Seller shall provide, concurrently with Seller's delivery of material to Purchaser, a full annotation identifying the source of all factual material contained therein which concerns any actual individual, whether living or dead, or involves any "real life" incident. Seller shall also use all reasonable efforts to accurately provide such other information as may be reasonably required by Purchaser for the purpose of permitting Purchaser to evaluate the risks involved in the utilization of the materials supplied by Seller.
16. Videocassette/DVD. Provided that Seller fully performs all of the material services and obligations required to be performed hereunder and that Seller is not in Default hereunder, then when commercially available for release to the general public, Purchaser shall provide Hollywood Hopeful with one (1) VHS videocassette and one (1) DVD copy of the First Picture for their non-commercial, private home use only.
17. Errors and Omissions/General Liability Insurance. Purchaser shall make application to add Hollywood Hopeful as an additional insured under the errors and omissions and general liability insurance policies with respect to the First Picture, if any, subject to the terms and conditions of said policies, including any deductible or policy limits; provided, however, that (i) the inclusion of Seller on such policies will not relieve Seller in any way whatsoever from representations, warranties and indemnities contained herein; (ii) Purchaser shall not be responsible to Seller if its insurance carrier refuses such application; (iii) if the inclusion of Seller on such policies results in any additional premiums, Purchaser shall notify Seller in writing of such additional premium amount and Seller shall pay such additional premium amount immediately upon Purchaser's request therefor when payable to such insurance carrier or Purchaser will have no obligation to have Seller included as an additional insured; (iv) if the inclusion of Seller on such policy results in any increased deductible, Seller shall pay the amount by which such deductible is increased by the inclusion of Seller on such policy immediately upon Purchaser's request therefor when payable to such insurance carrier or Purchaser will have no obligation to have Seller included as an additional insured; and (v) no such policy will cover Seller with respect to any claims or demands to which Seller's indemnification of Purchaser applies.
18. Celebrity Premieres. Hollywood Hopeful and a guest will be invited to all domestic celebrity premieres of the First Picture at no cost to Purchaser. With respect to one (1) domestic celebrity premiere (if any) (as selected by Purchaser) being held at a Location more than fifty (50) miles from any of Seller's

residences, Purchaser shall cause the distributor of the Picture to provide Seller and a guest with round-trip business class air transportation (if available and if used) to and from the Location and non-exclusive ground transportation and hotel accommodations and per diems, in order for Seller to be able to attend such premiere.

19. Breach of Agreement. No act or omission of Purchaser hereunder shall constitute an event of default or breach of this Agreement unless Seller shall first notify Purchaser in writing setting forth such alleged breach or default and Purchaser shall not commence in good faith to cure the same within ten (10) days after receipt of such notice.
20. No Injunctive Relief. In the event of a breach of this Agreement by Purchaser, Seller shall not be entitled to terminate or rescind this Agreement, the Rights, or any of the other rights granted to Purchaser hereunder, and Seller shall not be entitled to restrain, enjoin or otherwise impair the development, production, distribution, advertising, publicizing or other exploitation of the First Picture, any other production based on the Property, or any of the Rights or the other rights therein and thereto. In the event of such a breach by Purchaser, Seller's sole remedy shall be an action at law for damages, if any.
21. Assignment. Purchaser shall have the right at any time to assign its rights and/or delegate its obligations under this Agreement, in whole or in part, to any person or entity; provided, however, that upon any such assignment by Purchaser, Purchaser shall remain liable for its obligations under the Agreement unless such assignment is to: (a) a so-called "major" or "mini-major" (as customarily understood in the motion picture industry) motion picture company or to a U.S. free or pay television network or other similarly financially responsible party which assumes in writing all of Purchaser's obligations under this Agreement; (b) an entity into which Purchaser merges or is consolidated; (c) an entity which acquires all or substantially all of Purchaser's business and assets which assumes in writing all of Purchaser's obligations under this Agreement; or (d) a person or entity which is controlled by, under common control with, or controls Purchaser (other than a one-picture production entity) which assumes in writing all of Purchaser's obligations under this Agreement; in which event Purchaser shall be relieved of its obligations hereunder. Seller shall not have the right at any time to assign any of Seller's rights hereunder or to delegate any of Seller's obligations hereunder. Seller shall, upon completion of Seller's services hereunder, have the right to assign any contingent compensation to which Seller may be entitled pursuant to the Underlying Agreement on a one (1)-time only basis to an entity of Seller's choice in a form approved by Company.
22. Notices and Payments.
 - (a) To Seller. All notices, payments and correspondence which Purchaser is required or may desire to give to Seller under or in connection with this Agreement shall be given in writing by addressing the same to Seller C/o Wonderful Agency, Inc., 1000 Wilshire Boulevard, Beverly Hills, California 90212, Attention: Wonderful Agent, Telecopier: (310) ***-****, with a copy to, Hollywood Hopeful Law Firm, 1000 Century Park East, 2nd Floor, Los

Angeles, California 90067, Attention: Hollywood Hopeful lawyer., Telefax: (310) ***-****, or at such other address of which Seller gives Purchaser written notice, by (i) depositing the same so addressed postage prepaid in the United States mail or (ii) delivering the same toll prepaid to a telegraph or cable company or (iii) personal delivery or (iv) telecopier, receipt confirmed. Receipt of such notices, payments and correspondence so mailed or otherwise delivered shall be binding on Seller.

- (b) To Purchaser. All notices which Seller is required or may desire to give to Purchaser under or in connection with this Agreement shall be given in writing by addressing the same to Purchaser at Mega Studio, Heartbreak Street, Los Angeles, CA 90035, telecopier: (310) ***-****, with a copy to Ever Ready Films lawyer, 222 Happy Street, Los Angeles, CA 90405, telecopier: (310) ***-**** or at such other address of which Purchaser from time to time may give Seller written notice, and by (i) depositing the same so addressed postage prepaid in the United States mail or (ii) delivering the same toll prepaid to a telegraph or cable company or (iii) personal delivery or (iv) telex, receipt confirmed or (v) telecopier. Receipt of such notices, payments and correspondence made or otherwise delivered shall be binding on Purchaser.
- (c) Date of Notice. Any notice mailed, telegraphed, cabled, personally delivered, telexed or telecopied as aforesaid shall be deemed to have been given on the date of telex or telecopying or the date of delivery to the telegraph or cable company or the date of personal delivery and for mail, with receipt deemed to occur three (3) days after mailing.

23. Governing Law. This Agreement shall be construed in accordance with the laws of the State of California applicable to contracts entered into and to be fully performed therein, and is subject to all applicable provisions of federal, state and local law.

24. Balance of Terms. All other terms and conditions of this Agreement shall be Purchaser's Standard Terms and Conditions applicable to literary option/purchase and writing services agreements, attached hereto as Exhibit "A" and incorporated herein by this reference subject only to any changes which are mutually agreed upon in writing after good faith negotiations between the parties hereto.

Please indicate your agreement to the foregoing by executing this Agreement in the space provided below.

Very truly yours,

EVER READY FILMS, INC.
("Purchaser")

By: _____

Its: _____

AND

By: _____

Its: _____

ACCEPTED AND AGREED TO:

Hollywood Hopeful ("Seller")

Date of Execution: _____

ANNOTATION GUIDE

Annotated scripts should contain for each script element, whether an event, setting or section of dialogue within scene, notes in the margin which provide the following information:

1. Whether the element presents or portrays:
 - (a) Fact, in which case the note should indicate whether the person's name is real, whether (s)he is alive and whether (s)he has signed a release;
 - (b) Fiction, but a product of inference from fact; or
 - (c) Fiction, not based on fact.
2. Source material for the element:
 - (a) Book;
 - (b) Newspaper or magazine article;
 - (c) Recorded interview;
 - (d) Trial or deposition transcript; and/or
 - (e) Any other source.

NOTE: Source material identification should give the name of the source (i.e., New York Times article), page reference (if any) and date. To the extent possible, multiple sources for each element should be identified. Copies of all materials should be retained and cross-indexed by reference to script page and scene numbers. Coding may be useful to avoid repeated, lengthy references.

Descriptive annotation notes are helpful (e.g., the setting is a hotel suite because John/Jane Doe usually had business meetings in his/her hotel suite when visiting Los Angeles - New York Times; April 1, 1981, p.8).

EXHIBIT "A"

STANDARD TERMS AND CONDITIONS

These Standard Terms and Conditions shall constitute a part of that certain agreement ("Underlying Agreement"), dated as of May 10, 2001, between Ever Ready Films, Inc. ("Purchaser") and Hollywood Hopeful ("Seller") with respect to Purchaser's exclusive and irrevocable option to purchase the original screenplay ("Screenplay") owned by Seller and written by Seller presently entitled "THE BEST SCRIPT EVER", together with all titles, themes, contents, characters, stories, elements, translations, adaptations and versions thereof, (collectively the "Property"), and the writing services of Seller in connection with a proposed motion picture based on the Screenplay (the "First Picture"). These Standard Terms and Conditions shall be deemed fully incorporated in such Underlying Agreement, and these Standard Terms and Conditions and such Underlying Agreement shall hereinafter be collectively referred to as the "Agreement." All terms used in these Standard Terms and Conditions shall, unless expressly provided to the contrary herein, have the same respective meanings as set forth in the Underlying Agreement. To the extent that any provision of these Standard Terms and Conditions conflicts with any provision of the Underlying Agreement, the conflicting provision of the Underlying Agreement shall control, and the provision of these Standard Terms and Conditions so affected shall be deemed modified to the minimum extent necessary to be read consistently with the Underlying Agreement, and unless otherwise expressly provided in a particular provision, these Standard Terms shall apply only to the rendition of writing services pursuant to the Underlying Agreement.

1. Force Majeure Suspension. With respect to Seller's writing services hereunder and not the Option Period, if by reason of any mental or physical disability or otherwise, a principal member of the cast is unable and/or unwilling to substantially perform his/her services or comply with his/her material obligations in connection with the First Picture or if a principal member of the cast suffers any facial or physical disfigurement or material alteration or change in his/her facial or physical appearance or any impairment in his/her voice materially detracting from his/her appearance on the screen or interfering with his/her ability to substantially perform all required services for the First Picture or rendering him/her unsuitable in Purchaser's good faith business and/or creative judgment to portray the role for which he/she was engaged or if as a result of any Act of God, war, accident, fire, strike, lock-out or other labor controversy, riot, civil disturbance, act of public enemy, law, enactment, rule, restraint, order or act of any governmental instrumentality or military authority, failure or inability to obtain any necessary permit or license, failure of technical facilities, inability to obtain sufficient labor, technical or other personnel (including, without limitation, cast or crew members), failure, delay or reduction in transportation facilities or water, electricity or other public utilities or death (with respect to a cast member or the director) or unavailability of or inability to obtain life, accident, cast or health insurance or inability to obtain visas, labor permits or other governmental licenses for a principal member of the cast, the director or the producer, or other similar cause not reasonably within Purchaser's control, Purchaser is prevented or materially interfered with in the development, preparation or production of the First Picture or Purchaser's normal business operations

become commercially impracticable ("Event of Force Majeure"), then Seller's engagement and Seller's services and the accrual of compensation hereunder shall be deemed automatically suspended immediately upon and for the duration of such Event of Force Majeure. Purchaser shall notify Seller of such suspension in writing as soon as reasonably practicable. Notwithstanding anything to the contrary in this Paragraph, Purchaser may only suspend Seller's compensation and Seller's services hereunder solely on account of an Event of Force Majeure if the engagement and compensation of the other non-cast production personnel (with the exception of the line producer, unit production manager, and/or production accountant) of the First Picture are similarly suspended or terminated (as the case may be) for the same Event of Force Majeure. If the engagement and compensation of any other non-cast production personnel (with the exception of the line producer, unit production manager, and/or production accountant) suspended for an Event of Force Majeure are subsequently reinstated, then Seller's compensation and Seller's services hereunder (i.e, if Seller was suspended as the sole result of the same Event of Force Majeure) shall similarly be reinstated at the same point in time. Company shall not suspend Seller's services more than one (1) time for a single continuing event of Force Majeure

2. Default. If Seller fails or refuses to write, complete or deliver to Purchaser any material required by Purchaser hereunder within the applicable period specified, or Seller and/or Seller otherwise fail or refuse to perform or comply with any of the material terms or conditions hereof (other than by reason of an Seller "Disability" as described in Paragraph 3 below or an Event of Force Majeure) ("Default"), then:

(a) Suspension. Seller's engagement, Seller's services and the accrual of compensation hereunder shall be deemed automatically suspended. Upon written notice from Purchaser, if such breach is inadvertent or unintentional and reasonably curable, Seller shall have a period of five (5) business days from the date of receipt of Purchaser's written notice within which to cure (one-time only) such breach; and/or

(b) Termination. Subject to Seller's cure right as set forth in subparagraph (a) above, if any, Purchaser shall have the right to terminate this Agreement upon written notice thereof to Seller. Notwithstanding anything to the contrary in this Paragraph, Purchaser may only terminate Seller's compensation and Seller's services hereunder solely on account of an Event of Force Majeure if the engagement and compensation of the other non-cast production personnel (with the exception of the line producer, unit production manager, and/or production accountant) of the First Picture are similarly suspended or terminated (as the case may be) for the same Event of Force Majeure.

3. Disability. If Seller shall be unable to render fully any of his/her material services hereunder due to death or any sickness, mental and/or physical disability or legal disability ("Disability"):

(a) Suspension. Seller's engagement, Seller's services and the accrual of compensation shall be deemed automatically suspended immediately upon and for the duration of such Disability.

(b) Termination. If Seller's Disability (other than the death of Seller) shall continue for fourteen (14) consecutive days or twenty (20) days in the aggregate, Purchaser

shall have the right to terminate this Agreement by written notice thereof to Seller. If Seller dies prior to Seller's completion of Seller's services, this Agreement shall automatically terminate.

4. Effect of Suspension. During any suspension, no compensation shall accrue or be payable to Seller, and Seller shall not render services to any party other than Purchaser; provided, however, that Seller shall have the right to render services for third parties during any suspension based upon an Event of Force Majeure, subject, however, to Purchaser's right to require Seller to resume rendering services hereunder upon five (5) business days prior written notice. The term of Seller's services hereunder shall be extended for a period equal to the length of such suspension. With respect to any termination of this Agreement by Purchaser for any reason other than Seller's Default, Disability, or Force Majeure, Seller shall have no duty to mitigate damages and Purchaser shall have no right of offset. Payment of any compensation accrued and unpaid prior to the suspension shall be subject to all of Purchaser's rights and remedies against Seller (including the right of offset) for Seller's material Default.

5. Effect of Termination. Termination of this Agreement for any reason shall terminate Purchaser's obligation to pay Seller any further compensation for Seller's writing services hereunder, except the Fixed Purchase Price, the Credit Bonus, and the Contingent Compensation if the Option has been exercised. Payment of any compensation accrued and unpaid prior to the termination shall be subject to all of Purchaser's rights and remedies against Seller (including the right of offset) for Seller's material Default. If termination occurs prior to Seller's delivery to Purchaser of the material on which Seller is then working, Seller (or Seller's estate, if Seller dies) shall immediately deliver to Purchaser all material then completed or in progress (in whatever stage of completion it may be). Notwithstanding the foregoing, Purchaser shall comply with the provisions of the WGA Agreement with respect to Seller's credit, if any, and if this Agreement is terminated by reason of an Event of Force Majeure or Seller Disability, Purchaser shall pay Seller all contingent compensation, if any, accruing to Seller by reason of a final WGA credit determination.

6. Breach.

(a) Survival. Neither the expiration nor the termination of this Agreement [subject to Paragraph 4(d) of the Underlying Agreement] shall affect Purchaser's right, title and interest in and to (i) the material written by Seller hereunder (ii) the results and proceeds of Seller's services or (iii) any other rights granted to Purchaser pursuant to this Agreement. Seller's and Purchaser's respective representations and warranties, and respective obligations to indemnify each other, and Purchaser's insurance obligations shall survive any expiration or termination of this Agreement.

(b) Purchaser's Remedies. Purchaser's remedies in the event of any uncured material breach by Seller of this Agreement shall be cumulative and the exercise of one shall not preclude the exercise of any other remedy for the same or any other Disability or Default. Purchaser may recover by appropriate action or may offset and/or withhold from any compensation or payment payable to Seller (under this Agreement or otherwise) the damages to Purchaser resulting from any Default. Seller acknowledges and agrees that the services to be rendered by Seller hereunder are of a special, unique, unusual, extraordinary and intellectual character, making them difficult to replace and giving them a peculiar value, the loss of which cannot be reasonably compensated in damages in an

action at law; that, if Seller breaches any provision of this Agreement, Purchaser will be caused irreparable damage; and that, therefore, Purchaser 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.

(c) Seller's Remedies. The rights and remedies of Seller in the event of any breach by Purchaser of this Agreement shall be limited to Seller's right to recover damages, if any, in an action at law, and Seller waives any right or remedy in equity, including any right to terminate this Agreement, or to rescind Purchaser's right, title and interest in and to any material written by Seller hereunder or the results and proceeds of Seller's services or any other rights granted to Purchaser hereunder, or to enjoin or restrain the distribution or exhibition of the First Picture or the use, publication or dissemination of any advertising or publicity in connection therewith.

(d) Waiver. 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.

(e) Purchaser's Breach. No action or omission of Purchaser hereunder shall constitute an event of default or breach of this Agreement unless Seller shall first notify Purchaser in writing setting forth the alleged breach or default and Purchaser does not cure the same within ten (10) business days (or five (5) business days regarding any alleged failure to make any payment due hereunder) after receipt of such notice.

7. Publicity. Seller shall not issue publicity for the First Picture at any time without Purchaser's prior consent, except that Seller may issue publicity which relates primarily to Seller and only incidentally to the First Picture, Seller's services therein, provided that any publicity issued by Seller shall not derogate, disparage or defame the First Picture or any person, firm or corporation (including, without limitation, Purchaser, its parents, affiliates, and subsidiaries) associated with the First Picture. Seller shall not disclose to any third party (except on a confidential basis to Seller's legal and/or business representatives) any proprietary information relating to the First Picture or Purchaser (or its parents, subsidiaries and affiliates) (including, without limitation, the First Picture script and budget, the contents of any First Picture participation statement or the terms of any First Picture contracts pertaining thereto), without Purchaser's prior written consent.

8. Commitments to Others. Seller shall not have any right or authority to and neither shall employ any person in any capacity, nor contract for the purchase or rental of any article or material, nor make any commitment, agreement or obligation whereby Purchaser shall be required to incur any obligation whatsoever, without Purchaser's prior written consent in each instance.

9. Right to Withhold. Purchaser shall have the right to deduct and withhold from any sums payable to Seller hereunder any amounts required to be deducted and withheld by Purchaser pursuant to any present or future law, ordinance or regulation of the United States of America, or of any state thereof or any subdivision of any state thereof, or of any other country, including, without limitation, any country wherein Seller performs any of Seller's services hereunder, or pursuant to any present or future rule or regulation of any union or guild (if any) having jurisdiction over the services to be performed by Seller

hereunder.

10. Representations and Warranties/Indemnities/Insurance Coverage.

(a) Representations, Warranties and Indemnities. Subject to Article 28 of the WGA Agreement,

(i) Seller hereby represents and warrants that Seller has the right to enter into this Agreement with Purchaser and to grant to Purchaser any and all of the services and rights set forth herein, and that Seller is not subject to any disability which interferes with or prevents the performance of Seller's material obligations hereunder.

(ii) Seller further represents and warrants that all material, works, writings, ideas, "gags" or dialogue written, composed, prepared, submitted or interpolated by Seller in connection with the First Picture or its preparation or production, shall be wholly original with Seller and shall not be copied in whole or in part from any other work, except material submitted to Seller by Purchaser for inclusion in and included in the First Picture or material in the public domain throughout the world.

(iii) Seller warrants and represents that (a) except to the extent that it is based upon material assigned to Seller by Purchaser to be used as the basis therefor or is incidentally based on material in the public domain throughout the world, all of the results and proceeds of Seller's services (the "Material") are or shall be original with Seller; (b) as far as Seller knows, or should have known in the exercise of reasonable prudence, the Material does not and shall not defame or disparage any person or entity or infringe upon or violate the rights of privacy, publicity or any other rights of any kind or nature whatsoever of any person or entity; and (c) as far as Seller knows or should have known in the exercise of reasonable prudence and diligence, the Material is not the subject of any litigation or of any claim that might give rise to litigation. If any claim, action, suit or proceeding is brought or threatened alleging facts which, if true, would constitute a breach by Seller of these representations, warranties and covenants under this Agreement, Seller shall immediately notify Purchaser in writing. Seller agrees that Purchaser shall have the sole right to control the legal defense against any such claims, demands or litigation, including the right to select counsel of its choice and to compromise or settle any such claim, demand or litigation. Seller indemnifies and holds harmless Purchaser, the corporations comprising Purchaser, its and their respective employees, officers, agents, assigns and licensees from and against any and all liabilities, claims, costs, damages and expenses (including reasonable outside attorneys' fees and court costs) ("Claims") arising out of or in connection with a breach of any warranties, representations or agreements contained in this Agreement. Purchaser agrees to notify Seller immediately of any claims alleging facts which, if true, would constitute a breach by Seller of the representations, warranties or covenants under this Agreement and to indemnify and hold Seller harmless from and against any and all liabilities, claims, judgments, losses, costs, damages and expenses (including reasonable attorneys' fees and court costs) arising out of any claim or legal action with respect to the material added to the Material by Purchaser. Purchaser agrees to defend, indemnify and hold harmless Seller from and against any and all liabilities, claims, judgments, losses, costs, damages and expenses (including reasonable outside attorneys' fees and court costs) arising out of any claim or legal action with respect to the material altered or added to the Material by Purchaser or with respect to the

development, production, distribution, exhibition, advertising, promotion, publicity, or exploitation of the First Picture or any elements thereof or any ancillary rights therein or thereto in all media now known or hereafter devised, worldwide, in perpetuity, except where such claim or legal action arises from or relates to Seller's gross negligence, recklessness, intentional misconduct and/or material breach of any representation, warranty or covenant under this Agreement.

(b) Insurance Coverage. Seller shall be covered as an additional insured under Purchaser's policies of errors and omissions and general liability insurance, if Purchaser procures such policies, subject to said policies' terms, conditions and exclusions.

11. Seller Insurance. Purchaser shall have the right to apply for and take out, at Purchaser's expense, life, health, accident, cast or other insurance covering Seller, in any amount Purchaser deems necessary to protect Purchaser's interest hereunder. Seller shall not have any right, title or interest in or to such insurance. Seller shall assist Purchaser in obtaining such insurance by submitting to usual and customary medical and other examinations (with, at Seller's election, Seller's physician present at Seller's cost), and by signing such applications, statements and other instruments as may be reasonably required by any insurance company. During the period of Seller's writing services pursuant to this Agreement, Seller shall not knowingly engage in any conduct prohibited by any policy of insurance obtained by Purchaser in accordance with this Paragraph.

12. Further Instruments. Seller shall duly execute, acknowledge and deliver to Purchaser, or cause to be executed, acknowledged and delivered to Purchaser, any and all assignments or instruments not inconsistent herewith which Purchaser may deem necessary to carry out and effectuate the purposes and intent of this Agreement. Subject to customary legal review and comments by counsel for Seller, if Seller fails to execute any such instrument, after ten (10) business days Seller hereby irrevocably appoints Purchaser as Seller's attorney-in-fact, which appointment shall be deemed a power coupled with an interest, with full rights of substitution and delegation, solely to execute any such instruments in Seller's name and on Seller's behalf. Purchaser shall provide Seller with a copy of all documents so executed.

13. Assignment of this Agreement. Purchaser shall have the right at any time to assign its rights and/or delegate its obligations under this Agreement, in whole or in part, to any person or entity; provided, however, that upon any such assignment by Purchaser, Purchaser shall remain liable for its obligations under the Agreement unless such assignment is to: (a) a so-called "major" or "mini-major" (as customarily understood in the motion picture industry) motion picture company or to a U.S. free or pay television network or other similarly financially responsible party which assumes in writing all of Purchaser's obligations under this Agreement; (b) an entity into which Purchaser merges or is consolidated; (c) an entity which acquires all or substantially all of Purchaser's business and assets which assumes in writing all of Purchaser's obligations under this Agreement; or (d) a person or entity which is controlled by, under common control with, or controls Purchaser (other than a one-picture production entity) which assumes in writing all of Purchaser's obligations under this Agreement; in which event Purchaser shall be relieved of its obligations hereunder. Seller shall not have the right at any time to assign any of Seller's rights hereunder or to delegate any of Seller's obligations hereunder. Seller shall, upon completion of Seller's services hereunder, have the right to

assign any contingent compensation to which Seller may be entitled pursuant to the Underlying Agreement on a one (1)-time only basis to an entity of Seller's choice in a form approved by Company.

14. Assignment of Contingent Compensation: Seller shall, upon completion of Seller's services hereunder, have the right to assign any contingent compensation to which Seller may be entitled pursuant to the Underlying Agreement on a one-time only basis to an entity of Seller's choice in a form approved by Purchaser.

15. Union Agreement and Membership. To the extent that any provision of this Agreement conflicts with the mandatory provisions of any collective bargaining agreement applicable to and binding upon Purchaser in connection with the rendition of Seller's services hereunder (including, without limitation, the WGA Agreement), the WGA Agreement shall prevail; provided, however, that in such event the provision(s) of this Agreement so affected shall be curtailed and limited only to the extent necessary to permit compliance with the minimum mandatory terms and conditions of the WGA Agreement. Purchaser shall have the full benefit of all rights accorded employers under the WGA Agreement. To the extent and during such periods as it may be lawful for Purchaser to require Seller to do so hereunder, Seller is or shall become and remain a member in good standing of any appropriate union(s), including, without limitation, the Writers Guild of America. If Seller fails, neglects or refuses to become a member in good standing of any such union(s), Purchaser shall have the right at Purchaser's sole election (in addition to its other rights and remedies hereunder) to terminate this Agreement or to pay on Seller's behalf any required dues, fees or other payments to such union(s) and in the event of any such payment, Purchaser may deduct the amounts paid by Purchaser from any compensation otherwise payable to Seller hereunder.

16. Miscellaneous. This Agreement supersedes and supplants any and all prior and contemporaneous agreements and understandings, whether written or oral, between the parties hereto, with respect to the subject matter hereof, and this Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof. This Agreement shall not be modified except by a written document executed by all parties.

THE SUBSTANTIVE LAWS (AS DISTINGUISHED FROM THE CHOICE OF LAW RULES) OF THE STATE OF CALIFORNIA AND THE UNITED STATES OF AMERICA APPLICABLE TO CONTRACTS MADE AND PERFORMED ENTIRELY IN CALIFORNIA SHALL GOVERN (i) THE VALIDITY AND INTERPRETATION OF THIS AGREEMENT, (ii) THE PERFORMANCE BY THE PARTIES OF THEIR RESPECTIVE OBLIGATIONS HEREUNDER, AND (iii) ALL OTHER CAUSES OF ACTION (WHETHER SOUNDING IN CONTRACT OR IN TORT) ARISING OUT OF OR RELATING TO THIS AGREEMENT (OR SELLER'S ENGAGEMENT HEREUNDER) OR THE TERMINATION OF THIS AGREEMENT (OR OF SELLER'S ENGAGEMENT).

For the purposes hereof, Purchaser and Seller each hereby submit and subject themselves irrevocably to the personal jurisdiction of the California state and federal courts.

END OF STANDARD TERMS AND CONDITIONS

EXHIBIT "B"

SHORT FORM OPTION AGREEMENT

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned Hollywood Hopeful (referred to herein as "Seller"), hereby grants to EVER READY FILMS, INC. ("Purchaser"), the exclusive and irrevocable right and option to purchase all rights of every kind and nature, including the worldwide copyright (hereinafter referred to as "Rights"), in and to the original screenplay ("Screenplay") owned by Seller and written by Hollywood Hopeful presently entitled "THE BEST SCRIPT EVER," together with the titles, themes, contents, characters, stories, elements, translations, adaptations and versions thereof, (collectively the "Property"), all as set forth in and subject to that certain Option/Literary Purchase and Writing Services Agreement (hereinafter referred to as the "Agreement") between Seller and Purchaser dated as of May 10, 2001. Purchaser's option to purchase such Rights shall be for a period commencing on the date of execution of the Agreement and continuing for twelve (12) months thereafter, subject to extension as set forth in the Agreement.

Seller and Purchaser acknowledge that this Short Form Option Agreement 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 provisions of the Agreement shall control.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of May 10, 2001.

Hollywood Hopeful ("Seller")

ACCEPTED AND AGREED TO:

EVER READY FILMS, INC.

BY: _____
An Authorized Signatory

STATE OF CALIFORNIA

COUNTY OF

On _____ before me, _____ personally appeared HOLLYWOOD HOPEFUL, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "C"

SHORT FORM ASSIGNMENT

For good and valuable consideration, receipt of which is hereby acknowledged, Hollywood Hopeful (referred to herein as "Seller") hereby irrevocably and exclusively grant, sell and assign to EVER READY FILMS, INC. ("Purchaser"):

1. All rights of every kind and nature in, to and with respect to the original screenplay ("Screenplay") owned by Seller and written by Hollywood Hopeful presently entitled "THE BEST SCRIPT EVER," together with the titles, themes, contents, characters, stories, elements, translations, adaptations and versions thereof, (collectively the "Property"), and any part or parts thereof; and

2. Any and all causes of action which Seller now has or hereafter may have for any past, present or future infringements or interference with any of the rights granted to Purchaser in and to said material or the copyright thereof.

Seller hereby appoints Purchaser, its successors and assigns, as Seller's irrevocable attorney-in-fact, with full rights and power of substitution and delegation, in Seller's or in Purchaser's name: to enforce and protect all rights, licenses, privileges or property granted hereunder and under any and all copyrights therein and thereto; to prevent or terminate any infringement or other violation of said copyrights in respect of any of said rights, licenses, privileges or property; and to litigate for and collect all damages arising from any such infringement or threatened violation, and to join Seller as party plaintiff or defendant in any such suit or proceeding, in the discretion of Purchaser.

This assignment is executed and delivered pursuant and subject to the Option/Literary Purchase, and Writing Services Agreement dated as of May 10, 2001, between Seller and Purchaser relating to the above-described material. Reference is hereby made to said Option/Literary Purchase and Writing Services Agreement for further particulars with reference to Purchaser's rights in, to, and with respect to said material.

IN WITNESS WHEREOF, the undersigned has executed this assignment as of

_____.

Hollywood Hopeful ("Seller")

ACCEPTED AND AGREED TO:
EVER READY FILMS, INC.

BY: _____
An Authorized Signatory

STATE OF CALIFORNIA

COUNTY OF

On _____ before me, _____ personally appeared HOLLYWOOD HOPEFUL, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "D"

CERTIFICATE OF RESULTS AND PROCEEDS

Picture: "THE BEST SCRIPT EVER"
Producer: EVER READY FILMS, INC.
Talent: HOLLYWOOD HOPEFUL
Services: WRITING
Effective Date: AS OF MAY 10, 2001

Whereas Producer is making arrangements for the production of the audiovisual work identified above (the "Picture") in connection with which Producer desires to use, and Talent desires Producer to use, Talent's Services identified above; and

Whereas Talent and Producer desire to confirm Producer's exclusive rights in the results and proceeds of Talent's Services for the Picture (but for this avoidance of doubt, it is expressly agreed that this Certificate is not applicable to the Property that Producer may acquire pursuant to that certain Option/Literary Purchase and Writing Services Agreement, dated as of May 10, 2001, between Hollywood Hopeful and Producer).

Now Therefore for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Talent and Producer agree as follows:

- 1. Services and Material:** The Services are all the services described above performed by Talent for the Picture including, without limitation, the customary creative contributions of Talent's profession related to such services. The Material is all of the results and proceeds of Talent's Services for the Picture including, without limitation, all writings, revisions, rewrites, polishes, suggestions, ideas, gags, plots, stage business, direction, visualizations, performances, realization and other material of any kind created, submitted or performed by Talent pursuant to that certain Option/Literary Purchase and Writing Services Agreement, dated as of May 10, 2001, between Hollywood Hopeful and Producer with respect to the Picture, but excluding the Screenplay as defined in said Agreement as it exists as of the date of said Agreement.
- 2. Producer's Ownership:** Talent agrees that Producer is the exclusive owner throughout the universe in perpetuity to the full extent allowed by applicable law of all authors' rights, copyright, exploitation rights, economic rights, related rights, neighboring rights, *droit d'auteur*, *droit voison*, rights of remuneration and all other legal right, title or interest of every kind now known or later devised in the Material. Producer will be deemed to have acquired such rights under applicable law in accordance with this Certificate.
- 3. Work For Hire:** Talent agrees that the Material will be created as a work made by Talent as an employee in the course and scope of Talent's employment or as a work specifically ordered and commissioned for the Picture. Producer and Talent agree that the Material will be a work-for-hire for Producer. Talent acknowledges that, as between Producer and Talent, Producer is the person undertaking the arrangements necessary for making the Picture and is the maker and sole owner of the copyright in the Material and the

Picture in perpetuity throughout the universe. In the event any of the Material or any part thereof shall ever be determined not to be a work-made-for-hire, Talent hereby assigns to Producer, throughout the universe in perpetuity, all right, title and interest (including, without limitation, the copyright therein and all extensions and renewals thereof) in and to such Material.

4. **Assignment:** Talent exclusively and irrevocably grants and assigns to Producer in perpetuity throughout the universe all copyright, economic, exploitation, related and neighboring rights now known or later devised which Talent may now or later have in the Material or the Picture, and all works derived from the Material or the Picture including without limitation the exclusive rights to fix, copy, reproduce, adapt, edit, elaborate, transform, title (including changing the title), subtitle, dub, translate, advertise, publish, sell, vend, rent, lend, lease, distribute, broadcast (by terrestrial, cable, satellite, wire, wireless or any other means), rebroadcast, perform, utilize or otherwise exploit the Material or the Picture by all methods now known or later devised.

5. **Administration:** Talent exclusively grants and assigns to Producer in perpetuity throughout the universe all rights now known or later devised which Talent may now or later have to collect any royalties, levies, proceeds or other remuneration for any right granted Producer in the Material or the Picture including without limitation any rental or lending rights, levies on blank tapes cassettes discs or recording devices, or for any secondary broadcast; provided, however, that nothing contained herein shall relieve Producer of its obligation to pay to Talent (or its designee) any residuals required for Talent's services under the terms of any guild agreement applicable to Talent's services. If any such right or remuneration is not assignable, Talent appoints Producer to the full extent allowed by law as Talent's exclusive administrator with sole authority to administer and collect for any such right or remuneration. Producer agrees that, if there is an agreement between associations which represent artists of the same type as Talent and producers of the same type as Producer and that agreement applies to any such right or remuneration, then Producer will direct sums attributable to the applicable right or remuneration to be paid directly to Talent or Talent's representative as required by such agreement. Talent confirms that any remuneration so paid directly to Talent or Talent's representative constitutes full, adequate and equitable remuneration and is fairly apportioned to each applicable right.

6. **Moral Rights:** Talent acknowledges that the Picture is a collaborative work which may include the creative contributions of other persons. Talent therefore delegates to Producer the exclusive authority, exercisable in Producer's sole discretion, to determine the final form of the Picture for all means of exploitation. In so doing Talent forever waives any right to assert any law, decree, judicial decision, administrative rule or order of any kind throughout the world, whether now existing or later enacted, which allows Talent any right in the nature of moral rights (*droit moral*) in the Material or the Picture. In particular but without limitation Talent waives any *droit de divulgation*, *droit de paternite*, or *droit de respect de l'oeuvre* which Talent may have with respect to the Material or the Picture. Nothing in this Paragraph 6 will limit the contractual rights of Talent (including, without limitation, any of Talent's cutting, preview or approval rights) under any agreement between Producer and Talent (or Talent's loanout company) made as set forth in Paragraph 11.

7. **Representations and Warranties:** Subject to Article 28 of the Writers Guild of America Basic Agreement, Talent represents and warrants to Producer that: (i) Talent has the full right and legal capacity to execute and fully perform this Certificate and to make the grants,

assignments and waivers contained in it; (ii) the Material is and will be original with Talent and will not be copied from any other work except one submitted to Talent by Producer or consented to in writing by Producer, and no part of the Material is substantially in the public domain; (iii) Talent has not granted, assigned, licensed, encumbered, conveyed or transferred to any other person, natural or legal, any right, title or interest in the Material; (iv) nothing in the Material does or will infringe any property right (copyright, trademark, patent) or to the best of Talent's knowledge, personal right (defamation, false light, moral right and the like) of any person, natural or legal; (iv) there is no pending or threatened (as far as Talent knows or should have known in the exercise of reasonable prudence) claim, litigation, arbitration or proceeding with respect to the Material; and (v) Talent's Tax Id. No. and Nationality or Domicile identified below are true and correct. If any of these representations and warranties are inconsistent with the requirements of any collective management or collective bargaining agreement applicable to Talent and Producer with respect to the Material or the Services, then these representations and warranties will be amended to the minimum extent necessary to be consistent with such requirements. Each party will indemnify and hold harmless the other from any claim, loss, liability or damage arising from the other party's breach of its respective representations or warranties under this Certificate.

Producer agrees to defend, indemnify and hold harmless Talent from and against any and all liabilities, claims, judgments, losses, costs, damages and expenses (including reasonable outside attorneys' fees and court costs) arising out of any claim or legal action with respect to the material altered or added to the Material by Producer or with respect to the development, production, distribution, exhibition, advertising, promotion, publicity, or exploitation of the First Picture or any elements thereof or any ancillary rights therein or thereto in all media now known or hereafter devised, worldwide, in perpetuity, except where such claim or legal action arises from or relates to Talent's gross negligence, recklessness, intentional misconduct and/or material breach of any representation, warranty or covenant under this Agreement.

8. Remedies: Talent confirms that the Services are of a special, unique, unusual, extraordinary, intellectual or artistic nature which gives them a peculiar value, the loss of which cannot reasonably or adequately be compensated by monetary damages. Talent agrees that nothing in this Certificate will require Producer to utilize the Services or Material in any manner. Talent will not have, and forever waives, and will be estopped from asserting, any right to terminate, cancel or rescind this Certificate or any of the grants, assignments or waivers contained in it, or any right to enjoin or prevent the exploitation of any rights in the Material or the Picture.

9. Additional Confirmations: This Certificate will be binding on Talent's successors, assigns, administrators and heirs. This Certificate will inure to the benefit of Producer's successors, assigns, lessees, licensees and mortgagees. Upon reasonable request Talent will execute, acknowledge and deliver such additional instruments as are reasonably necessary to effectuate or confirm the intent or purpose of this Certificate and which are not inconsistent herewith.

10. Governing Law: This Certificate will be governed by and interpreted under the laws of the State of California, applicable to agreements entered into and to be performed wholly therein.

11. **Additional Agreement:** Nothing in this Certificate will prevent Producer and Talent from entering into a binding agreement between themselves with respect to any other matters not inconsistent with this Certificate regarding Talent's Services for the Picture, including without limitation any credit Talent may receive on the Picture and the conditions under which Producer will incorporate Talent's creative contribution into the final form of the Picture. This Certificate shall be subject in all respect to that certain Option/Literary Purchase and Writing Services Agreement, dated as of May 10, 2001, between Hollywood Hopeful and Producer and the Writers Guild of America Basic Agreement.

In Witness Whereof, Talent executes this Certificate of Results and Proceeds for the benefit of Producer as of the date set forth above.

HOLLYWOOD HOPEFUL

Producer's Acceptance

The Undersigned, Producer accepts this Certificate of Results and Proceeds and agrees to its terms and conditions.

EVER READY FILMS, INC.

By: _____

Its: _____

AND

By: _____

Its: _____

EXHIBIT "E"

Defined Proceeds

Part of Agreement between Ever Ready Films, Inc. ("Producer") and Hollywood Hopeful ("Participant"), dated as of May 10, 2001, in connection with "The Best Script Ever" ("Picture").

I. General Computation: "Defined Proceeds" means "Adjusted Gross Receipts," as defined in paragraph II, less the following, deducted in the following sequence:

(a) "Distribution Fees," as defined in paragraph III;

(b) "Distribution Expenses," as defined in paragraph IV, with interest on the unrecouped portion thereof at 2% per annum above the prime rate charged from time to time by Producer's bank or other financing entity; interest shall be deducted before principal;

(c) "Production Cost," as defined in paragraph V, with interest on the unrecouped portion thereof at 2% per annum above the prime rate charged from time to time by Producer's bank or other financing entity; interest shall be deducted before principal; and

(d) All contingent deferrals not included in Production Cost.

If residuals provided in applicable collective bargaining agreements are payable to the Participant, such residuals previously paid shall be offset against the future participation payments and the participation previously paid shall be offset against the future residuals, to the full extent permitted by the respective collective bargaining agreement.

II. Adjusted Gross Receipts:

(a) Gross Receipts: "Gross Receipts" means all cash received (in US dollars in the United States) by Producer from any exhibitor, subdistributor, or other licensee for the right to cause the telecast or other exhibition of the Picture to an audience in any medium, such as television, CATV, home video, or theatrical or nontheatrical direct projection, and all cash received (in US dollars in the United States) by Producer from the exploitation of any other rights ("subsidiary rights") in the Picture (excluding sequels, remakes, spin-offs or other derivative productions), or any element of the Picture, such as rights in music; provided, that, with respect to home video distribution of the Picture, in lieu of such amount (if any) otherwise includable in Gross Receipts, Producer shall include in Gross Receipts an amount equal to 20% of the average wholesale price for all home video devices sold and not returned containing the Picture, subject to customary proration and reductions. "Gross Receipts" shall be net of any distribution fees, distribution expenses and any other deductions made by the distributor(s) of the Picture. No advance or security deposit paid to Producer by any distributor shall constitute Gross Receipts until non-refundable. "Picture" shall mean the motion picture (whether for television or theatrical exhibition) produced under this Agreement and with respect to

which Participant is entitled to amount(s) based upon percentage(s) of Adjusted Gross Receipts. "Sale" means any license, grant, or sale. Gross Receipts are subject to adjustments for refunds, rebates, credits, settlements, and discounts. If any amount that is owed by Producer to a licensee in connection with the exhibition of the Picture or the exploitation of subsidiary rights, such as a cooperative advertising allowance, shall be set off by the licensee from the amount owed for the right to cause such exhibition or to exploit subsidiary rights, then Gross Receipts shall be augmented by such amount.

(b) Adjustments in Gross Receipts. Gross Receipts are subject to adjustments for refunds, rebates, credits, settlements, and discounts. If any amount that is owed by Producer or any other distributor to a licensee in connection with the exhibition of the Picture or the exploitation of subsidiary rights, such as a cooperative advertising allowance, shall be set off by the licensee from the amount owed for the right to cause such exhibition or to exploit subsidiary rights, then Gross Receipts shall be augmented by such amount.

(c) Outright Sale: If Producer sells all or any part of Producer's rights for an amount that is not computed by reference to the purchaser's revenues, then Producer shall either:

(i) Cause Producer's net receipts from such sale to be included in Gross Receipts, in which case Participant shall have no further interest in the purchaser's revenues from the use of such rights; or

(ii) Cause the purchaser to be required to assume Producer's obligations to Participant, with such assumption being deemed a novation; none of the proceeds from such sale shall be included in Gross Receipts; and Producer shall have no obligation to Participant with respect to such proceeds.

If Producer's sale to the purchaser is made for an amount, part of which is computed by reference to the purchaser's revenues and the other part of which is not so computed (other than an advance or security deposit), then such other part shall be treated as provided above in this subparagraph (c).

(d) Adjusted Gross Receipts: "Adjusted Gross Receipts" means the Gross Receipts less the aggregate of the following amounts (determined on a continuing basis):

(i) Taxes -- Taxes, excises and imposts of any kind (and payments and expenses in contesting, compromising or settling any of them, together with any interest and penalties with respect thereto imposed by any taxing authority) on or with respect to the Picture or the associated prints, physical properties, trailers, advertising accessories or underlying literary properties, or any use or exhibition of the foregoing, or any of the Gross Receipts or the receipt, payment or remittance thereof, provided that no income or similar taxes paid by Producer shall be included hereunder.

(ii) Duties -- All duties, tariffs, customs charges, import taxes and like charges paid or incurred in connection with the Picture.

(iii) Guild Payments -- All costs incurred with respect to payments required under applicable collective bargaining agreements, including, but not limited to, employer

fringe benefits, residuals, royalties and taxes payable with respect thereto, by reason of or as a condition to any exhibition of the Picture, or any part thereof, or any use or reuse thereof for any purpose or in any media whatsoever.

(iv) Conversion Costs -- All costs and expenses associated with the conversion of foreign currency into United States dollars.

(v) Trade Associations Dues and Industry Assessments -- Dues, fees and contributions (to the extent reasonably allocated by Producer to the Picture) payable to the MPAA, AMPTP and MPEA or any similarly constituted or substitute authorities or organizations, or their respective successors, and a reasonably allocable portion of industry assessments, including, without limitation, industry campaigns, contributions to legal fees and related overhead of counsel retained to monitor and investigate copyright infringement, and awards, settlements, judgments and legal fees and other costs incurred in connection with antitrust or similar proceedings.

(vi) Collection Costs -- All costs incurred in connection with foreign sales and all costs incurred in connection with the collection of monies includable within the Gross Receipts, including reasonable fees of attorneys and auditors, and losses, damages or liabilities suffered or incurred by Producer (or its affiliates) in the collection of such monies, whether by litigation or otherwise.

(vii) Checking Costs -- All costs incurred to check attendance and receipts at theaters in order to determine the accuracy of box office reports and to investigate unauthorized exhibition or distribution of the Picture and to determine full utilization of rights granted, whether such costs are direct expenses or an allocable portion of the aggregate general checking expenses incurred by Producer in connection with the production and distribution of motion pictures.

III. Distribution Fees: "Distribution Fees" (inclusive of subdistributor's fees) are the following percentages of the applicable Gross Receipts:

- (i) Domestic theatrical --- 30%
- (ii) Domestic network television --- 25%
- (iii) Domestic television syndication --- 35%
- (iv) Domestic pay television --- 25%
- (v) Domestic Video --- 30%
- (vi) Foreign Video --- 25%
- (vii) Foreign theatrical and television --- 40%
- (viii) Revenues derived from music and publishing royalties, merchandising and like sources--- 50%
- (ix) All other film revenue--- 50%

IV. Distribution Expenses: "Distribution Expenses" means all costs and expenses of Producer and any other distributor of the Picture ("Distributor") in connection with the marketing, promotion, manufacturing, distribution, exhibition or other exploitation of the Picture and any subsidiary rights therein in all media and in all languages, including but not limited to:

(a) Any rerun, use, residual, royalty, or other payment with respect to any person or any right, and any payroll tax or union fringe benefit payment in connection therewith;

(b) Any cost in connection with the preparation, making, duplication, editing, cutting, dubbing, subtitling, possession, packing, inspection, repair, storage, protection, and shipment (such as to or from any laboratory, Distributor, or licensee, including the payment of any customs, fees, taxes, or imposts in connection therewith) or any negative or positive film materials, audio or video tape, still photograph, script, continuity sheet, or cue sheet, including but not limited to, costs of facilities, laboratory work, raw film or raw audio or video tape stock, reels, containers, and other materials or services;

(c) Advertising, publicity, or promotion costs, allowances or other expenses, and advertising overhead costs equal to 10% of all such expenses;

(d) Any agency package fee or commission (if not charged as part of the Production Cost);

(e) Any tax levied upon, payable with respect to, or arising in connection with the exploitation, use, distribution, revenues, or materials of the Picture, including, but not limited to, sales, Gross Receipts, turnover, withholding, remittance, excise, use, and personal property or similar taxes, but excluding any net income, corporate, franchise or excess profits tax;

(f) Any cost of converting, transmitting, or remitting currency;

(g) Any cost of collecting money from, checking the receipts or costs of auditing any Distributor or licensee;

(h) Any cost in connection with any claim brought by or against any Distributor or licensee;

(i) Any amount charged to Producer by any Distributor;

(j) Any governmental fee or the cost of any governmental license or permit, including, but not limited to, those required for import, export, licensing, exhibition, or censorship, or the cost of contesting any of the same or any other regulation or law affecting the Picture;

(k) Any cost of obtaining, maintaining, protecting, or registering any intangible rights, including, but not limited to, copyrights, trademarks, and trade names, in connection with the Picture.

(l) Cost of protecting the Picture, or any materials in connection with the Picture, physically or from legal encumbrance, by security measures, legal action, or otherwise;

(m) Any legal and accounting fees or court costs in connection with the Picture;

(n) Any cost of errors-and-omissions insurance or insurance covering physical materials; and

(o) Trade association dues and assessments, and support payments to industry academies or institutions and costs of market attendance.

V. Production Cost: "Production Cost" means all costs and expenses in connection with "Production" (which is deemed to mean the development, pre-production, production, and post-production of the Picture), including, without limitation:

(a) Any cost of a type listed in paragraph IV if incurred in connection with Production rather than distribution (it being understood that any particular item included in Production Cost may not also be a Distribution Expense);

(b) Any cost for the right to use or purchase facilities, equipment, materials or services ("above the line," "below the line," or other) intended to be used in connection with Production;

(c) Any cost of writing, or of rights to use underlying literary, artistic, musical, or intellectual property or materials, intended to be used in connection with the Picture; together with all executive or creative royalties payable with respect thereto;

(d) Any financing costs;

(e) A production fee for the Picture (inclusive of any producer fees payable to David Kirkpatrick and any other personnel of Producer and/or any other person associated with the financier of the Picture), which shall be deemed a direct cost included as an item of Production Cost, in an amount equal to 5% of the Production Cost (computed without taking into account the production fee);

(f) Any cost of cast insurance, negative insurance or other customary production insurance, or insurance covering personal injury or property damage;

(g) Cost of production auditor;

(h) Any cost of legal services incurred in connection with Production;

(i) Any guaranteed or contingent deferred amount paid or payable for the fair value of services rendered in Production, whether as a flat amount or a participation in or percentage of Gross Receipts;

(j) Any cost of title or copyright search or registration;

(k) Solely for purposes of computing the participations payable to or on account of the services of any director or producer of the Picture, an amount ("overbudget deduction") equal to 100% of the amount by which the Production Cost exceeded the budgeted cost of production of the Picture;

(l) Any agency packaging fee or commission, if applicable;

- (m) Overhead cost equal to 10% of all other items of Production Cost; and
- (n) Any actual completion bond fee.

Any item may be included in Production Cost when the obligation to pay is noncontingent, even if payment has not yet been made. If Producer furnishes any of its own facilities, equipment, materials, or services in connection with Production (consistent with industry custom and practice) for which Producer has a standard rate or would otherwise have made a payment to a third party, the amount of such standard rate or the amount that otherwise would have been paid to such third party shall be deemed a direct cost included as an item of Production Cost. There shall be no double deductions hereunder.

VI. Statements and Payments: "Accounting Period" means each calendar year or other annual period that Producer may from time to time elect. Within 90 days after the end of each accounting period, Participant shall be sent a statement showing the computation of Defined Proceeds for such accounting period and Participant shall be paid his or its share of such Defined Proceeds, if any; provided, however, that Producer may set up reasonable reserves to be applied against anticipated expenses that would be deductible by Producer in computing the Adjusted Gross Receipts and/or Defined Proceeds, which reserves shall be liquidated if not used within a reasonable period. No statement need be sent for any accounting period in which there are no Gross Receipts or for any accounting period after the first five accounting periods unless and until Gross Receipts are sufficient to entitle Participant to payments of Defined Proceeds. All expenses, such as Distribution Expenses and items of Production Cost, incurred in any accounting period that are not recovered from Gross Receipts for the same accounting period may be carried forward or backward to any other accounting period. Any withholding or deduction required by law may be made. Any item in a Distributor's statement that is acceptable to Producer in its business judgement is deemed acceptable to Participant.

VII. Conclusiveness of Statements: Producer shall keep all of its books and records directly relating to this exhibit in accordance with accepted accounting principles. Participant may, at Producer's offices and for a reasonable time within regular business hours, but not more than once per calendar year, have a certified public accountant inspect and make copies of any such books and records not previously inspected, all at Participant's expense. Each inspection shall be completed within 30 consecutive days. Producer's method of treating an amount referred to in this exhibit for Producer's tax of financial purposes will have no bearing on the computation of Defined Proceeds. Each statement hereunder shall be deemed conclusive unless Participant shall object thereto to Producer in writing within 12 months after receipt thereof and shall state in detail in such writing the basis for the objection. Participant shall be barred from bringing any legal proceeding on the subject matter of such objections later than 6 months after making such objections.

VIII. Foreign Currency: If any foreign government shall block the conversion or transmittal of currency to be included in Gross Receipts, Producer in its sole discretion may pay Participant his or its share of Defined Proceeds applicable thereto by depositing the same in Participant's name and at Participant's expense with such depository as Producer shall determine. Producer shall notify Participant of any such deposit.

IX. Relationship of Parties: Producer shall not be deemed a fiduciary, partner, or joint venturer of Participant. Participant has no legal or beneficial ownership interest in the Series, any Pictures, or in any thing created pursuant to rights in the Picture, but only the contingent right to payment specified herein. Any pledge, hypothecation, mortgage, or other encumbrance of the Picture, any element or the Series or any Picture, or any thing created to pursuant to the rights in the Picture, or any assignment, sale or transfer of rights herein, purported to be made by Participant, shall be void; provided, that after the completion of Participant's performance under this Agreement, any assignment, sale, or transfer of Participant's right to receive payment under this exhibit shall be valid if it shall be made specifically subject to Producer's rights herein; and provided, further, that in each instance in which Participant shall wish to make any such assignment, sale, or transfer in whole or in part, to any third party, other than by gift or bequest, Participant shall first make a written offer to Producer, that by its own terms shall be irrevocable for at least 30 days from Producer's receipt thereof, to make such assignment, sale, or transfer to Producer on the same terms and conditions on which such assignment, sale, or transfer would be made to such third party. Participant waives any right to bring suit against Producer or any Distributor with respect to any matter in connection with this Agreement for relief other than money damages. As between Participant and Producer, Producer shall have sole discretion: to make a fair allocation of any amount that is relevant under this exhibit (such as Gross Receipts, a Distribution Expense, or an item of Production Cost) from any larger sum in which it is included; to determine whether to incur any Distribution Expense or item of Production Cost, when it is incurred, and how it is computed; to determine when the conversion or transmittal of currency shall occur and the exchange rate at which such conversion shall occur; to determine what items included in Production Cost shall be considered direct costs as distinguished from overhead; to determine all terms of each agreement, if any, for the distribution of Picture, or the exploitation of subsidiary rights, including, but not limited to, all terms affecting time, place, medium, frequency of use, and payment; to settle any claim with respect to any such agreement or with respect to the Picture; to retain reasonable portions of Defined Proceeds as reserves for contingent, uncomputed, or retroactive debts; and to commingle funds applicable to payments hereunder with other funds owned or held by Producer. Producer makes no representation or warranty with respect to Producer's efforts in connection with the distribution of the Picture or exploitation of subsidiary rights, or that such distribution or exploitation will result in any minimum amount of Gross Receipts, Adjusted Gross Receipts or Defined Proceeds.

VIDEO DEVICES

Provided Producer is vested with the right to manufacture and distribute the Picture on video cassettes, video tapes, video discs and similar compact audiovisual devices, by format now known or later to be decided, intended to be sold or leased to the public as a device intended primarily for "home use" (as such term is commonly understood in the motion picture industry "Video Devices"), the Gross Receipts of the Picture shall include an amount determined as follows:

1. An amount equivalent to twenty percent (20%) of the wholesale price (excluding Federal Excise Taxes, or the equivalent thereof, local taxes, if any, and standard container charges) actually received for such Video Devices manufactured and sold in the United States, subject to customary proration and reductions (including, without limitation, reductions for "sell-through" distribution of Video Devices). With respect to Video Devices not consisting entirely of the entire Picture as released theatrically to the general public, the amount to be included in the Gross Receipts of the Picture shall be prorated by multiplying such amount by a fraction, the numerator of which is the running time of all scenes or "highlights" from the Picture included on such Video Device, and the denominator of which is the total running time of such Video Device; provided, however, that no amount shall be included in the Gross Receipts of the Picture in respect of Video Devices which include scenes or "highlights" from the Picture for promotional or advertising purposes.

2. As to Video Devices sold outside the United States, the amount included in the Gross Receipts of the Picture shall be one-half ($\frac{1}{2}$) the amount referred to in paragraph 1 above and shall be calculated, at Producer's election, upon the wholesale price of such Video Devices in the country of manufacture, the United States, England, or the country of sale. The aforesaid amount shall be computed in the national currency of the country to which the wholesale price so elected applies and shall be paid at the same rate of exchange as Producer is paid; provided, however, that such amounts on such Video Devices shall not be included in the Gross Receipts of the Picture until payment therefore has actually been received by Producer in the United States.

3. In respect of Video Devices sold through any "clubs" or similar sales plans and devices, the amount included in the Gross Receipts of the Picture shall be one-half ($\frac{1}{2}$) of that referred to in paragraphs 1 and 2 of this exhibit depending upon where such Video Devices are sold; provided, that there shall be no amount included in the Gross Receipts of the Picture with respect to Video Devices given to members of such clubs as "bonus" or "free" Video Devices as a result of joining the club and/or purchasing a required number of Video Devices. No amount included in the Gross Receipts of the Picture shall be computed with respect to Video Devices given away or furnished on a "no charge" basis to dealers or others.

4. Producer shall have the right to deduct and to reserve for returns (such returns to be self-liquidating) and credits of any nature, including, without limitation, those on account of one hundred percent (100%) or a lesser return privilege, defective merchandise, exchange privilege, promotional credits, errors in billing, unusual overstock and errors in shipping.

5. From the amount(s) computed as set forth above, there shall first be deducted the aggregate of the following costs and expenses, and only the balance of such amount(s) remaining, after such deductions shall have been made, shall be included in the Gross Receipts:

(a) Any amounts and royalties which shall be payable in connection with the manufacturing and distribution of the Video Devices to the person(s) whose performance(s) is/are contained on such Video Devices in accordance with the agreement(s) which may have been entered into with any such person(s);

(b) All costs, expenses and fees with respect to the Video Devices incurred by Producer, or its subsidiary or affiliated companies, under agreement(s) with any and all guilds or unions wherever located and whether now or hereafter in existence; and

(c) Any additional costs (which are not included in the costs of production of the Picture) incurred in connection with the reproduction of the Picture for the purpose of enabling the issuance of Video Devices therefrom.

RIDER TO EXHIBIT "E"
DEFINED PROCEEDS

1. Paragraph I.(b). Replace the comma after "in paragraph IV" with a semi-colon and delete the remainder of the subparagraph.
2. Paragraph II.(a) Gross Receipts.
 - a. After "in the United States" in the parentheses in lines 3 and 10, insert "or in freely remittable foreign currency".
 - b. After "subject to customary proration and deductions" at the end of the first sentence, insert "(as set forth in the Video Devices section below), and provided further that, with respect to all rights licensed to and handled directly by the initial domestic theatrical distributor of the Picture ("Domestic Distributor"), Producer shall include in Gross Receipts an amount equal to all gross receipts received by the Domestic Distributor to the extent reported and accounted for by the Domestic Distributor to Producer."
 - c. At the end of the second sentence, insert "; provided, that the Domestic Distributor's distribution fees shall be included in the Distribution Fees specified in paragraph III below with respect to all rights licensed to and handled directly by the Domestic Distributor,".
3. Paragraph II.(c) Outright Sale. At the end of the paragraph, insert "Any outright sales to an affiliate of Producer shall be negotiated at arms length."
4. Paragraph III Distribution Fees.
 - a. In (i), insert "and non-theatrical" before "30%".
 - b. In (iii), insert "including Basic Cable" after "syndication".
5. Paragraph IV Distribution Expenses. In the first sentence after "and any other", insert "costs incurred, advanced or paid by Producer to any".
6. Paragraph V. (h). Before "legal services", insert "outside".
7. Paragraph V. In the last grammatical paragraph of the section at the end of the first sentence after "not yet been made", insert ", provided that interest shall not accrue on Production Cost items until actually paid."
8. Paragraph VI. Statements and Payments.

a. Replace the first sentence with "'Accounting Period' means each (a) quarter annual period for 3 years after the Picture's initial theatrical release, (b) each semi-annual period for the succeeding 2 years, and (c) each annual period thereafter."

b. In the second sentence, replace "90" with "60".

c. In the third sentence, replace "after the first five accounting periods" with "after the first five years" and at the end of the sentence after "payments of Defined Proceeds" insert "; provided, that Producer shall send Participant a statement for any such period after receipt of Participant's written request but not more than once per annual period."

d. Add the following sentence to the end of the section:
"Upon Participant's request with respect to any statement rendered by Producer hereunder, Producer shall furnish Participant with copies of the statements received by Producer from the Distributor(s) of the Picture upon which Producer's statement is based."

9. Paragraph VII. Conclusiveness of Statements. In the penultimate sentence, replace "12" with "24" and in the last sentence, replace "6" with "12".

10. Paragraph IX. Relationship of Parties.

a. After the fourth sentence (which begins with "Participant waives any right...."), insert the following sentence: "Any allocation of any amount that is relevant under this exhibit (such as Gross Receipts, a Distribution Expense, or an item of Production Cost) from any larger sum in which it is included shall be made on a fair and reasonable basis."

b. In the immediately succeeding sentence (which begins with "As between Participant and Producer...."), delete the first clause after the colon.

11. Video Devices ¶12. At the end of the paragraph after "in the United States", insert "(or in freely remittable foreign currency)."

12. Video Devices ¶15. Delete this paragraph.

GUARANTY

As an inducement to Hollywood Hopeful ("Seller") to enter into that certain Option/Screenplay Purchase and Writing Services Agreement dated as of May 10, 2001, between Ever Ready Films, Inc. ("Company") and Seller (the "Agreement") in connection with the motion picture tentatively entitled "The Best Script Ever" (the "Picture") and in consideration of the benefits the undersigned guarantor ("Guarantor") will derive from the execution of the Agreement and provided that Seller is not in material breach under the Agreement, Guarantor guarantees on a continuing basis, the full, prompt, timely and faithful performance of the following obligations undertaken by the Company pursuant to the Agreement (the "Guaranteed Obligations"): (a) the guaranteed and contingent compensation under the Agreement, (b) the credit obligations of Company under the Agreement, and (c) the indemnification and insurance obligations of Company under the Agreement. If Company fails to pay or perform any of the Guaranteed Obligations, Guarantor will, subject to the terms and conditions hereof and subject to the terms and conditions of the Agreement, promptly pay and/or perform any and all of the Guaranteed Obligations as if Guarantor had itself entered into the Agreement with Seller. Except as set forth herein, Guarantor's and Seller arising under the Agreement with respect to enforcement by Seller of the Guaranteed Obligations.

2. The Guaranteed Obligations are independent of the obligations of Company and a separate action or actions may be brought against Guarantor whether or not Company is joined in any such action or actions. Guarantor agrees that its obligations hereunder shall not be exhausted by (i) any number of actions until the Guaranteed Obligations have been fully paid and performed; or (ii) any failure or omission or delay by Beneficiary to exercise any right or remedy under the Agreement or otherwise except to the extent that such failure, omission or delay constitutes a waiver under the Agreement (e.g., statute of limitations, laches, etc.). This Guarantee shall continue to be effective or reinstated, as the case may be, if at any time payment of any amount paid under the Agreement is rescinded or otherwise returned by Beneficiary upon the insolvency, bankruptcy or reorganization of Company as if such amount has not been paid. Except as set forth in paragraph 4, below, Guarantor's obligations under this Guarantee are subject to all defenses which Company may have against Beneficiary with respect to enforcement by Beneficiary of the Guaranteed Obligations.

3. Guarantor agrees that any modification of the Agreement shall not affect this Guarantee and authorizes Beneficiary and Company upon their mutual agreement without notice or demand and without diminishing its liability hereunder, from time to time to renew, compromise, extend, accelerate or modify the Agreement or otherwise change the terms of the Guaranteed Obligations or any part thereof. No assignment permitted by the Agreement will relieve Guarantor of its obligations to Beneficiary with respect to the Guaranteed Obligations.

4. Subject to the demand requirement set forth in paragraph 5 below, Guarantor waives any right to require Beneficiary to (i) proceed against Company; or (ii) pursue any other remedy in Beneficiary's power whatsoever prior to proceeding against Guarantor. Guarantor waives any defense arising by reasons of (a) the insolvency or bankruptcy of Company, (b) lack of authority of Company or of the person signing the Agreement on behalf of Company, (c) any

disability or incapacity of Company, and/or any rights, remedies, or defenses that Guarantor might otherwise have pursuant to Sections 2819 and 2845 of the California Civil Code. Guarantor waives all presentments; notice of or right to consent to any modification, extension, or alteration; notices of non-performance (except as provided in Paragraph 5 below); protests, notices of protest; notices of dishonor; and notices of acceptance of this Guarantee and of the existence, creation or incurring of new or additional obligations.

5. Guarantor shall have no obligation to Beneficiary hereunder with respect to any compensation unless and until such compensation shall have accrued and been payable to Beneficiary in accordance with the provisions of the Agreement and Company shall have failed to pay said compensation as and when due and Beneficiary shall have given Guarantor notice thereof and a period of five (5) business days shall have elapsed from the date Guarantor shall have been so notified.

6. Any notice pertaining thereto shall be in writing. Any such notice and any payment due hereunder shall be served by delivering said notice or payment personally or by sending it by mail, cable, telex or telecopier (postage or applicable fee prepaid), addressed as follows (or subsequently designated in writing):

To Beneficiary: Hollywood Hopeful Law Firm
1000 Century Park East, 2nd Floor
Los Angeles, California 90067
Attention: Hollywood Hopeful lawyer.
Telefax: (310) ***-****

To Guarantor: Ever Ready Films, Inc.
Mega Studio
Heartbreak Street
Los Angeles, CA 90035
Telefax: (310) ***-****

With a copy to: Ever Ready Films lawyer
222 Happy Street
Los Angeles, California 90405
Telefax: (310) ***-****

The date of personal delivery, mailing or delivery to the cable or telecopier office of such notice or payment shall be deemed the date of service of such notice or payment, unless otherwise specified herein; provided, however, that any notice which commences the running of any period of time for exercise of any option or performance of any other act shall be deemed to be served only when actually received.

7. This Guarantee contains the full and complete understanding between the parties hereto and supersedes all prior and contemporaneous agreements and understandings pertaining

hereto and cannot be modified except by a writing signed by each party. Beneficiary's sole and exclusive remedy for breach, termination, or cancellation of this Guarantee or any term hereof (including any term pertaining to credit) by Guarantor shall be an action for damages and Beneficiary irrevocably waives any right to equitable or injunctive relief.

8. This Guarantee shall be governed by and construed in accordance with the laws of the State of California applicable to agreements made and to be performed in said State and the laws of the United States of America as the same would be applied by a federal court sitting in the State of California and the Federal Courts located in the State of California. Beneficiary and Guarantor each hereby consents to the jurisdiction of the Federal Courts in the State of California (and if the Federal Courts refuse jurisdiction, the State Courts of California) with respect to any matter relating to this Guarantee.

IN WITNESS WHEREOF, the undersigned Guarantor has executed this Guarantee as of May 10, 2001.

GUARANTOR:

By: _____

Its: _____

ACCEPTED AND AGREED TO:

Hollywood Hopeful ("Seller")