

Mark DiSalle  
10100 Santa Monica Boulevard  
Suite 2600  
Los Angeles, California  
90067

June 15, 1985

Mr. Sheldon Lettich  
6003 West 6th Street  
Los Angeles, California 90036

Re: "BLOODSPORT" (the "Picture")

Dear Mr. Lettich:

The following confirms our agreement by which you shall render services as a writer for and in connection with the theatrical motion picture presently entitled "Bloodsport".

#### WRITING SERVICES

1. You shall render such services as we require to write and revise an original screenplay based upon the life story of Frank Dux, the rights to which we own and which we assign to you for this writing assignment, entitled "Bloodsport" (the "Story"), consisting of a first draft screenplay and one set of revisions thereto, and a final draft screenplay or polish based thereon, suitable for production of a feature length theatrical motion picture intended initially for theatrical exhibition in the United States.
2. Your services shall commence as of the date of this Agreement and continue diligently and expeditiously thereafter. Within ninety (90) days thereafter you shall complete and deliver the ~~final~~ <sup>FIRST</sup> draft screenplay to us. SBL
3. The ~~final draft~~ <sup>SBL</sup> screenplay shall be in typewritten form, in a clean and legible condition, without handwriting thereon, and fully proofread and corrected.

#### WRITER FOR HIRE

4. You understand and acknowledge that the Story has been acquired by us and assigned to you for the purpose of creating a screenplay (or teleplay) as provided hereunder and you agree that the results and proceeds of your services hereunder are "works for hire" as that term is defined within the 1976 Copyright Act.

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### COMPENSATION

5. As full and complete compensation for your writing services and grant of rights hereunder, we agree to pay you and you agree to accept the following:

- a) In connection with the first draft of the screenplay, the sum of \$2,500.00, payable \$1,250.00 upon execution of this Agreement and \$1,250.00 upon delivery and acceptance of the first draft screenplay.
- b) In connection with subsequent revisions of the screenplay, a sum to be negotiated in good faith taking into the consideration the amount of work necessary therefor.

### DEFERRED COMPENSATION

6. If we actually commence production of the Picture and receive funding therefor, then on or before the commencement of principal photography of the Picture we agree to pay to you as deferred compensation the additional sum of \$25,000.00, less any sums previously paid to you hereunder. **Notwithstanding** the foregoing, in the event that the final budget from which the Picture is actually produced exceeds the sum of \$1,000,000.00, your deferred compensation shall be increased in the same percentage that said budget exceeds \$1,000,000.00, not to exceed the total sum of \$50,000.00.

### PROFIT PARTICIPATION

7. If we actually produce the Picture and complete production thereof, then we shall pay you a sum equal to two and one-half percent (2 1/2%) of the producer's net profits, as that term is commonly understood in the entertainment industry. Your profit participation shall be computed and paid in the same manner as all profit participants.

### WRITING SERVICES OF OTHERS

8. If, in our sole and exclusive discretion, one or more writers other than you render services the results and proceeds of which are contained in the final draft screenplay actually used to produce the Picture, then the sum payable to you as profit participation shall be reduced by the amount that such other writer(s) are paid

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for said services **BUT IN NO EVENT** shall your direct or deferred compensation be reduced by any amount and your profit participation shall not be reduced to less than one and one-half percent (1 1/2%).

### **CREDIT**

9. Provided that you timely commence and diligently pursue to completion all that is required of you hereunder, and further providing that no third person renders writing services the results and proceeds of which are contained in the final draft screenplay actually used for the production of the Picture, we will accord you a credit for your services hereunder in the positive prints of the Picture, the form, size and placement to be at our discretion, in substantially the following manner:

"Screenplay by Sheldon Lettich."

### **OWNERSHIP, REVERSION**

We shall own, solely and exclusively, all of the results and proceeds of your services hereunder, and of all literary material written by you hereunder, and of the Picture and all the elements thereof, including the copyright in and to the same and all renewals and extensions thereof, throughout the world. **Notwithstanding** the foregoing, if within seven (7) years following the completion of the final draft screenplay hereunder we shall not have actually completed production of the Picture, upon your written request we shall reconvey to you all right, title and interest in and to the literary materials written by you hereunder, including the screenplay and all copyrights in and to the same. Said reversion shall be without warranty and you specifically understand and agree that you shall not thereby acquire any right in or to the story of Frank Dux and that said literary material may have no commercial value.

### **USE OF NAME**

We and each entity commercializing or exploiting the Picture, and the entity's advertising agency, and each network station over which the same may be broadcast, shall have the right to reproduce, print and disseminate in any medium, your name, likeness, voice and biographical information for purposes of advertising and promoting such picture, program or series, and in connection therewith, the product or services of any sponsor, provided that no direct or indirect endorsement of any



such product of service by you shall be used without you's prior written consent.

#### **ASSIGNMENT**

10. We may freely transfer and assign this Agreement and/or all or any of our rights hereunder, and this Agreement shall inure to our benefit and to the benefit of our successors and assigns. No transfer or assignment by us shall relieve us of or from any of our obligations hereunder and we specifically agree that any assignee shall be bound by all compensation provisions herein unless you and such assignee agree differently.

#### **PUBLICITY**

11. We shall have the sole and exclusive right to issue publicity concerning the Picture and concerning your services with respect thereto. You shall not, directly or indirectly, issue or permit the issuance of any publicity, grant any interviews, or make any statements concerning your services hereunder without our prior written consent in each instance.

#### **FAILURE TO UTILIZE SERVICES**

12. We are not obligated actually to use your services hereunder or any part of the result and proceeds thereof, or to make, produce, release, distribute, advertise, or exploit any motion picture or other production hereunder, and our failure to do so shall not be deemed a breach of this Agreement by us; and in no event shall you be entitled to any damages by reason thereof. Nothing contained in this paragraph, however, shall relieve us of our obligation to pay the compensation provided herein, if you render, or are ready, willing, and able to render such services as and when required by this Agreement.

#### **NOTICES**

13. Notices desired or required to be given hereunder shall be in writing and may be given by personal delivery or by United States mail, postage prepaid, and addressed to the respective addresses indicated for each party herein, unless and until either of us gives the other written notice of a different address.

### **WARRANTIES**

14. You represent and warrant as follows:

- a) That notwithstanding commitments which you may have from time-to-time during the term of this Agreement, you will use your best efforts to be available for the uninterrupted rendition of all services required by you hereunder;and,
- b) That the Story, or so much thereof written by you is original, not in the public domain, contains no defamatory material and does not interfere with, abridge or infringe the rights, statutory or contractual, or any third party.

### **BREACH - DISABILITY - FORCE MAJEURE**

15. We may suspend your services upon the occurrence and during the continuance of any of the following contingencies:

- a) You commit a material breach of this Agreement (default);
- b) You are prevented from or materially interfered with in the rendition of service by illness, physical or mental disability, accident, or other cause which would make your failure to render services excusable at law;
- c) We are prevented from, or materially interrupted in utilizing your services hereunder by reason of any law, regulation, judgement, act of God, action of the elements, fire, strike, labor controversy, civil disturbance, conditions of war, or by any other cause beyond our control, or by reason of the death, illness or incapacity of the principal performer(s) of the Picture (force majeure).

16. During the suspension, this Agreement shall remain in effect and no compensation shall be payable to you under this Agreement except compensation accrued prior to the suspension.

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17. We may terminate your services upon the occurrence of a default, or at any time during the continuance thereof, effective as of the date of the occurrence of the default.

18. We may terminate your services under a disability if the disability continues for a period of fifteen (15) days, effective as of the date of the disability.

#### **MISCELLANEOUS PROVISIONS**

19. This agreement sets forth the entire understanding between the parties relative to the subject matter hereof, and any and all prior or contemporaneous negotiations, understandings, agreements, representations, warranties, inducements or similar communications are superceded and replaced by and/or incorporated into this agreement.

20. This agreement shall inure to the benefit of, and be binding upon all of the parties hereto and each of their respective successors, permitted assigns, heirs, executors, administrators and/or legal representatives.

21. The parties hereto agree to promptly execute and deliver to the other such other and further documents as are reasonably necessary to effectuate or carry out the provisions of this agreement.

22. No modification, amendment, waiver, termination, discharge or replacement of this agreement or any of its terms or provisions shall be effective for any purpose unless and until confirmed in a writing executed by the duly authorized representative of the parties hereto.

23. No waiver by any party hereto of any term or provision of this agreement shall abridge such parties right thereafter to enforce such term or provision or to exercise any right or remedy in the event of any other default, whether or not similar.

24. In the event of an action at law or in equity, or before any adjudicatory body having jurisdiction thereover, to enforce or construe any provision hereof or any right or obligation directly or indirectly created hereunder, the prevailing party shall be entitled to receive, as an element of damages, all costs and expenses paid or incurred in connection therewith, including reasonable attorney fees.

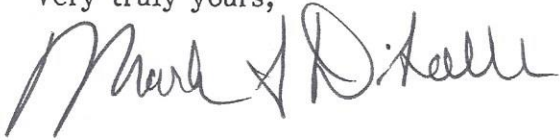


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25. This agreement is entered into in the State of California and shall be enforced and construed in accordance with the laws of said state applicable to agreements entered into and to be wholly performed therein.

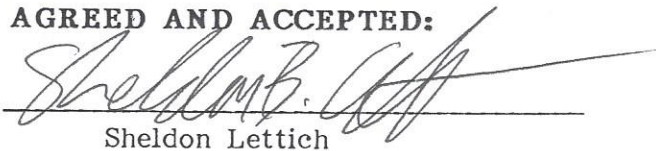
If the foregoing accurately reflects our understanding, please so indicate by signing below and this shall become a binding agreement between us.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Mark DiSalle".

Mark DiSalle

**AGREED AND ACCEPTED:**

A handwritten signature in cursive script, appearing to read "Sheldon B. Lettich".  
\_\_\_\_\_  
Sheldon Lettich

(3.104/c/bswrite)