

This agreement is entered into as of May 1, 1984 by and between BACK ALLEY THEATRE (the "producer"), a California non-profit corporation, 15231 Burbank Blvd., Van Nuys, CA 91411 and Phoebe Sutton (the "Author"), whose designated address is 1834 El Cerrito Place, Los Angeles, CA 90068 with respect to the stage play written by author tentatively titled THIN WALL (the "Play"). The parties hereby agree as follows:

1. Grant of Rights. The Author hereby grants to the Producer, subject to the terms and conditions hereof, the exclusive right to produce and present Author's Play entitled THIN WALLS at the Back Alley Theatre, 15231 Burbank Blvd, Van Nuys, CA, and/or in any other Equity Waiver theatre of no more than 99 seats.

2. Production Date. Although nothing contained herein shall be construed to obligate the Producer to produce the Play, the rights granted to the Producer hereunder will terminate unless the Producer has commenced rehearsals of production of the Play pursuant to paragraph 1 above on or before April 30, 1985.

3. Advance. The Producer agrees to pay upon signing hereof as a non-returnable advance against all monies payable hereunder the sum of \$500.

4. Royalties.

(a) For each week of paid public performances of the Play at the Back Alley and/or any other Equity Waiver theatre of less than 99 seats, the Producer shall pay to the Author royalties in an amount equal to 5% of the gross box office receipts.

(b) All royalties shall be paid within seven (7) days after the end of the calendar week in which such performances are presented and shall be accompanied by copies of box office statements, signed by the Producer or its duly authorized representative. In computing gross weekly box office receipts, the Producer may deduct any standard fees or commissions paid in connection with theatre parties, group sales, or benefits, credit card fees, automated ticket distribution or remote box offices, as well as 15% of sales attributable to coupon books.

5. Duration of Rights. The Producer's production rights under paragraph 1 hereof shall continue only so long as the Producer shall present the Play in a continuous run, provided that if the Producer moves the Production of the Play from the Back Alley Theatre to another Equity Waiver theatre of not more than 99 seats, and/or from another Equity Waiver theatre of not more than 99 seats to still another Equity Waiver theatre of not more than 99 seats, and if at the time the Play is so moved, there is a hiatus in performances of not more than eight (8) weeks to accomodate such move, such hiatus shall not be deemed an interruption of the continuous run.

6. Subsequent Productions. Provided that the Producer has presented the Play pursuant to paragraph 1 hereof for not less than a total of 12 performances, Producer shall have the exclusive right to present, or to assign the right to present the Play as follows:

(a) As a Lort or HAT Equity contract production in the county of Los Angeles. Such rights shall expire if Producer has not paid to the Author the sum of \$500.00 no later than ninety (90) days after the final performance of the Play pursuant to paragraph 1 hereof. Thereafter a Dramatists' Guild Minimum Basic Production Contract (hereinafter referred to as the "Dramatists' Guild Contract") shall be executed between the Author and the Producer, its assignees or licensees.

(b) As a Off-Broadway production in a Middle Theatre not less than 199 seats or more than 499 in New York City. Such rights shall expire if Producer has not paid to the Author the sum of \$1,000 no later than ninety (90) days after the final performance of the Play pursuant to paragraph 1 hereof. Thereafter a Dramatists' Guild Contract shall be executed between the Author and the Producer, its assignees or licensees.

(c) As a first-class production in a first-class Broadway theatre in New York City. Such rights shall expire if Producer has not paid to the Author the sum of \$1,000 no later than ninety (90) days after the final performance of the Play pursuant to paragraph 1 hereof. In addition, such rights shall expire if Producer has not, prior before ninety (90) days thereafter or on commencement of rehearsals for the first-class production, whichever is earlier, paid to the Author the further sum of \$1,000. Thereafter a Dramatists' Guild Contract shall be executed between the Author and the Producer, its assignees or licensees.

7. Representations. Author represents and warrants that: he is the sole author and owner of the Play and all rights therein, he has the right to enter into this agreement and to grant the rights herein granted, and the Play does not violate or infringe upon any right of any kind or nature to anyone. Author

shall indemnify and hold Theatre and all persons connected therewith harmless from and against any liability, damage, cost, or expense (including reasonable attorneys fees) occasioned by or arising out of any breach of his warranties in the agreement.

8. Reservations of Rights: Restrictions Thereon. All rights in and to the Play not expressly granted to the Producer hereunder are hereby reserved to the Author for his use and disposition. The Author represents and warrants that there are no outstanding agreements for professional or regional theatre productions of the Play in the United States; until the termination of the Producer's rights to present the Play in the United States hereunder, Author will not exercise, or authorize any person, firm or corporation to exercise, in the United States any rights, except publication rights, in the Play without the written consent of the Producer, not to be unreasonably withheld.

9. Author's Billing. The Author shall receive billing as follows:

THIN WALL
A new play by
Phoef Sutton

No one will receive a credit in type larger than that given to the author, except the theatre and the title of the play.

9a. All subsequent productions of the play shall say on the title page of the playbill, in type not less than 8 pt: THIN WALL was originally produced by the Back Alley Theatre. Producer shall announce Author as sole author of the Play upon all its programs for the Play and in all publicity and advertising matter relating to the Play issued by Producer or under its control in which the name of any person appears. Producer shall have the right to use the Author's name, likeness, and biographical resume in connection with all productions of the Play hereunder, and the Author agrees to make himself available on reasonable notice for all press and media interviews to promote the Play hereunder.

10. Subsidiary Rights.

(a) The Author shall own and control the Play with respect to all rights other than the rights expressly granted to the Producer herein. The Producer, however, shall receive from the Author the percentage of net proceeds (regardless of when paid) to the Author specified hereinbelow from any disposition made before ten (10) years after the last performance if the Play hereunder of any of the following rights in the Play provided that the Play shall have been presented pursuant to paragraph 1 hereunder for the number of performances specified below: world-wide motion picture rights and stage performances of any musical comedy, operetta or grand opera

based on the Play; and with respect to the Continental United States and Canada any of the following: radio, television, cable, commercial and merchandising uses; audio and audio-visual recordings of any nature. Nothing herein, however, shall be construed so as to entitle the Producer to receive any share of any amounts received by the Author from productions actually produced by the Producer, its assignees or licensees hereunder.

Up to \$19,999	1%
\$20,000 to \$29,999	2%
\$30,000 to \$39,999	3%
\$40,000 to \$49,999	4%
\$50,000 to \$59,999	5%
\$60,000 to \$69,999	6%
\$70,000 to \$79,999	7%
\$80,000 to \$89,999	8%
\$90,000 to \$99,999	9%
Over \$100,000	10%

(b) If the Producer acquires first-class, Off-Broadway, HAT or Lort contract production rights in the Play pursuant to paragraph 6 (a) (b) (c) hereof and if the Producer thereafter becomes entitled to participate in the Author's net proceeds from the exploitation of subsidiary rights in accordance with the provisions of the Dramatists' Guild Contract, the Producer's participation in the Author's net proceeds from the exploitation of subsidiary rights shall be governed solely by the Dramatists' Guild Contract and this paragraph 10 shall become null and void.

11. Approvals. The Author shall have joint approval with Back Alley's Producing Directors, Laura Zucker and Allan Miller, of cast, director, and costume, set and lighting designers, such approval not to be unreasonably withheld.

12. Any claim, dispute or controversy arising between Theatre and Author relating to this agreement shall be submitted to arbitration in Los Angeles, California pursuant to the rules of the American Arbitration Association.

13. All notices required hereunder or which either party desires to serve upon the other shall be in writing and shall be deemed given when addressed as set forth above and when delivered personally, or when deposited (postage prepaid) in the United States mail (certified or registered, return receipt requested).

14. Theatre shall not be deemed in default or breach of this agreement unless it receives written notice thereof from Author and such breach is not cured within 15 days thereafter.

15. Theatre may assign or license this agreement or any part(s) thereof or any or all of its rights hereunder to any entity whatsoever, and this agreement shall be binding upon and shall inure to the benefit of all such assignees and licensees, with the written consent of the author. The theatre will be jointly liable for the fulfillment of the terms of the final agreement.

16. This agreement is entire, and all negotiations, understandings and all prior agreements are merged herein. This agreement cannot be modified except by a written instrument executed by Theatre and Author. A waiver of a breach of any provision hereof in any one instant shall not constitute a waiver of any subsequent breach. Nothing herein contained shall constitute a partnership between or joint venture by the parties hereto or constitute either party the agent or the employee of the other. This agreement is not intended for the benefit of any third party. Nothing in this agreement shall be construed so as to require commission of any act contrary to law, and wherever there is any conflict between any provision of this agreement and any present or future statute, law, ordinance, or regulation, the latter shall prevail, but in such event the provision of this agreement affected shall be modified and limited only to the extent necessary to bring it within legal requirements. This agreement shall be governed by the laws of the state of California applicable to agreements entered into and to be wholly performed therein.

IN WITNESS WHEREOF the parties have executed this agreement as of the date and year first above written.

BACK ALLEY THEATRE

By _____
