

May 12, 1972

Chal Productions, Inc.
c/o Artists Entertainment Complex, Inc.
641 Lexington Avenue
New York, New York

Re: THE GODFATHER SEQUEL - Al Pacino

Gentlemen:

The following will set forth the agreement between Chal Productions Inc. ("Chal") and Francis Ford Coppola Productions, Inc. ("Coppola Productions") for the loan of Al Pacino's services as an actor in the above-entitled project on the following terms (Mr. Pacino is hereinafter referred to as the "Artist"):

PICTURE: "THE GODFATHER SEQUEL"

ROLE: "MICHAEL CORLEONE"

START DATE: To be designated by Coppola Productions on 30 days' notice, such start date to occur during the six-month period following Paramount Pictures Corporation's election to proceed with the Picture, except as such six month period shall be postponed as a result of force majeure, and extended for periods of services of Artist for others (provided that such extensions shall only occur with respect to services of the Artist for others after Paramount shall have elected to proceed with production of the Picture).

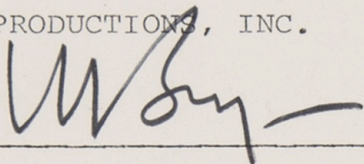
REMUNERATION: \$500,000 for the entire picture, including preproduction and postproduction services as hereinafter provided, payable \$200,000 over the approved shooting schedule, with the balance of \$300,000 payable in three equal annual installments beginning one year after completion of principal photography if principal photography commences in 1972 or on January 5 of each year commencing January 5, 1974 if principal photography commences after 1972. There shall be no prorata overages payable to Chal or Artist

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ACCEPTED AND AGREED TO:

CHAL PRODUCTIONS, INC.

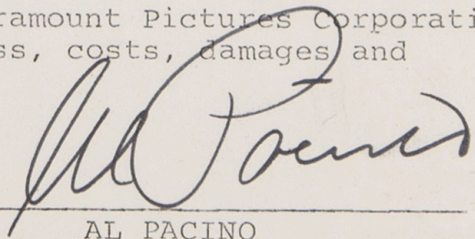
By: _____



Date: _____

As an inducement to Coppola Productions to enter into the foregoing Letter of Agreement, knowing that it will rely hereon in doing so, the undersigned, for the benefit of Coppola Productions and Paramount Pictures Corporation, and/or any other Company involved in the production of the picture, hereby consents and agrees to the execution and delivery of the foregoing Letter of Agreement and hereby agrees to be bound by the terms thereof to the same extent as Chal Productions, Inc. and hereby agrees to render all of the services therein provided to be rendered by the undersigned and to be bound by and to duly perform and observe each and all of the terms and conditions of said Letter of Agreement requiring performance or compliance on the part of the undersigned, and to look only to Chal Productions, Inc. for any compensation for his services in and in connection with the picture. Chal Productions, Inc. agrees that if withholdings are not made from payments made to it under said Letter of Agreement, and if thereafter it is determined that such withholdings, i.e., income tax withholdings, were legally required, Chal Productions, Inc. and the undersigned shall indemnify Paramount Pictures Corporation and Coppola Productions against all loss, costs, damages and expenses relating thereto.

Date: _____



AL PACINO