

19 October 1983

Sra. Bertha Navarro
Ave. Las Flores 401
San Angel Inn
01060 Mexico D. F.

Please refer to the "Volcano Project Agreement" of 28 December 1973 which contemplated the sale of a project for the production of a film based on the novel "Under the Volcano" by Malcolm Lowry.

As you were periodically informed, we never could sell this project, so it was decided, with your approval, to dispose of our cinematographic rights to the novel, which were sold last march for a total price of 195,000 dls. collected in September 1983.

The liquidation of our association has been established as per the attached statement, I shall complete payment of the last estimated expenses very shortly. If there should be any difference from the present estimates, this will be adjusted in the final payment I will make to you.

I am very sorry about the registered loss on this business.

Yours sincerely,

Serge Pey

VOLCANO PROJECT AGREEMENT

Profit & Loss and Investment Recuperation

PROFIT & LOSS

| | | |
|----------------------------------|-----------|-------------------|
| Novel rights purchase | | \$ 130,000.00 |
| Spanish screenplay | 32,587.66 | |
| English revision | 10,000.00 | |
| Mrs. Lowry's opinion | 750.00 | |
| N. York lawyer's fees | 26,837.44 | |
| Travel, telephone, office, etc.: | | |
| Corp. Cinemat. Coyoacan, S. A. | 16,195.60 | |
| Ollin, S. A. (estimated) | 7,629.30 | |
| L. Barranco expenditures | 4,000.00 | |
| | | <u>98,000.00</u> |
| Total cost and expenses | | 228,000.00 |
| Novel rights sale | | <u>195,000.00</u> |
| Net loss | | (33,000.00) |
| Partnership investment | | <u>130,000.00</u> |

INVESTORS RECUPERATION

| | Original Investment | Recuperation |
|------------------|------------------------|------------------|
| Anita Pandolfi | \$ 25,000 | 18,654 |
| Bertha Navarro | 6,000 | 4,477 |
| Alfonso Madrigal | 32,000 | 23,877 |
| Luis Barranco | 32,000 | 23,877 |
| Serge Fay | 35,000 | 26,115 |
| | <u>\$ 130,000</u> | <u>\$ 97,000</u> |

\$ 97,000.00